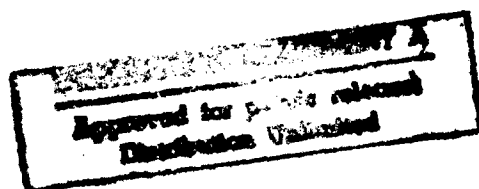


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Near East/South Asia Report



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10 October 1985

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REGIONAL AFFAIRS

EXPERTS REVIEW COMPLEXITIES OF OIL SITUATION AT SYMPOSIUM

London AL-MAJALLAH in Arabic 28 Aug-3 Sep 85 pp 16-18

[Article: "The Symposium on Oil-Poor Arabs: The Arabs Raised the Price of Oil and America Raised the Price of Bread"]

[Text] While there is no room for doubt that the Arabs' situation, as far as oil is concerned, is "well a thousand times over," and all observers are stressing that there is nothing to fear as far as the Arab oil situation goes, no matter how great the challenges might become, AL-MAJALLAH is presenting the issue of the "oil-poor Arabs," accepting the foregoing statement but raising it with a view toward the future, the future to be faced as of now, before the wheel of life catches up to us and passes us by.

AL-MAJALLAH is publishing some studies from the international symposium the Center of Arab Studies held in London, in accordance with a special arrangement between the center and AL-MAJALLAH.

The Center of Arab Studies in London held a symposium titled "The Oil-poor Arabs" to which it invited an elite of specialists and thinkers in the Arab and international areas. Mr 'Abd-al-Majid Farid, chairman of the center, opened the symposium, presenting it with a brief statement in which he talked about the center's accomplishments and the symposia it had held previously, including some fraught with much significance, such as those on "Oil and Security in the Arab Gulf" and "The Lebanon Crisis -- Dimensions and Conclusions," one on the transformation of the regime in Egypt in the wake of the Camp David treaty, titled "Egypt's Arab Role -- a Look into the Future," one on the Red Sea after it was mined and one on Israel and its designs on Arab waters.

Mr Farid then talked about the justifications for holding the symposium on "oil-poor Arabs," declaring that it was not a pessimistic symposium and that the purpose behind it was not to be provocative but that it was a symposium aimed at thinking, planning and dreaming for a better future -- all the more so since the symposium occurred at a time when the Middle East was being subjected to various dangers which had the goal of shaking, terrorizing and fragmenting the region.

Therefore, the symposium on "oil-poor Arabs" sought to present the issue and analyze it scientifically, in order to derive conclusions and recommendations which would illuminate the way before thinkers, scholars and decision-makers in the Arab world, which is filled with great non-oil resources that have not yet been exploited and discovered.

After Mr 'Abd-al-Majid Farid's opening statement, Dr Muhammad Mahmud al-Imam gave a comprehensive review in which he addressed himself to the subject of the symposium from various angles. In view of the importance of the research Dr al-Imam presented, AL-MAJALLAH has decided to devote this instalment to a summary of this important work.

Dr al-Imam considers that to make the fate of an entire region, such as the Middle East, contingent on a single element, such as oil, is an oversimplification, and therefore his research is concentrated on three foundations:

1. The need to deal with various aspects of life in the Arab region politically, socially and economically.
2. The search for information on all relations which bind the Arab countries to one another and to the world.
3. Attention to the other factors in the region besides oil, in addition to other bases by which one may guide oneself and which one may deduce from the nature of oil itself, which are:

The possibility that oil will run out.

The price of oil, which has become one of the most important of economic variables.

The feasibility and costs of producing oil.

The concentration of oil consumption in the advanced industrial countries.

One may place the Arab countries in three categories in terms of their oil situation:

The first category, which includes the member countries of OPEC; the countries in this category may be broken down into two secondary categories:

- A. Countries which possess hydrocarbons in abundance and have an abundance of other natural resources and of people, such as Algeria and Iraq.
- B. Countries which possess oil in abundance and have a dearth of other natural resources and people, such as Libya and the Gulf countries.

The second category, which includes countries whose oil resources are in balance with their needs and expect that their oil will run out in a short period of time, such as Oman, Bahrain, Tunisia, Syria and Egypt.

The third category, which includes the remaining Arab countries, with limited oil resources. These for the most part are oil-importing countries.

The difference in the oil situation among Arab countries is not restricted to the difference in the general characteristics of the categories. In fact, conditions within each category differ greatly, and the condition of the region as a whole plainly differs from the other countries of the world, as the accompanying table shows:

The Expected Life of Oil in the Arab Countries and Other Oil-Producing Areas

Countries and Regions	The Situation at end-1984		The Depletion Date in 1973	Net Increase, 1984 over 1973		
	Remaining Life in Years	Date of Depletion		Total	Due to Development of Reserves	Due to Change in Production
Bahrain	11	1995	1989	6	0	6
Egypt	11	1995	2035	-40	24	-64
Syria	23	2007	2012	-5	17	-22
Oman	24	2008	2005	3	13	-10
Qatar	24	2008	1997	11	0	11
Algeria	33	2017	1992	25	14	11
Tunisia	35	2019	2006	13	31	18
Libya	54	2038	2005	33	2	31
The Emirates	80	2064	2019	45	24	21
Iraq	101	2085	2021	64	23	41
Saudi Arabia	101	2085	2022	63	25	38
Kuwait	227	2211	2036	175	27	148
Category 1A	76	2060	2011	49	19	30
Category 1B	106	2090	2021	69	21	48
Category 2	18	2002	2011	-9	17	-26
Total, Arab Region	89	2073	2019	54	21	33
Remaining OPEC Countries	39	2023	1996	27	7	20
United States	9	1993	1983	10	8	2
Other Industrial Countries	16	2000	1996	4	24	-20

Latin America	34	2018	1989	29	101	-72
Other Countries	22	2006	1997	9	38	-29
Socialist Countries	15	1999	2001	-2	10	-12
Non-Arab World	20	2004	1993	11	14	-3
World Total	34	2018	2002	16	16	--

Observations:

The Arab countries are ranked by probable depletion date.

The total net increase is calculated by subtracting the third column from the second. The increase attributed to reserves has been calculated on the basis of total addition to reserves.

The increase attributed to the change in production has been calculated as the difference between the preceding two columns.

Source: ARAB OIL AND GAS magazine, first issue, February 1985.

Egypt Is the First

It is clear from the breakdown of categories that the countries in the second group head the list of those likely to drop out of the list of oil producing and exporting countries permanently, and Egypt, which is considered the country in the region where oil was first discovered, heads this category, although it entered the export field only recently. In Egypt, the first oil refinery was constructed in 1913 and the first fertilizer plant in 1951 (it was subjected to destruction after a few years). However, its orientation toward exports by raising production before its requirements had substantially grown resulted in a drop in the expected life of oil from its 1973 level, as is the case with respect to the remaining countries in this category, which offer an example of what could happen in the final stages of the oil era in oil-exporting countries.

As for the countries in the first category, Algeria is the one likely to drop out of the category first, but the country will continue to export gas, of which its reserves amount to one third those in the Arab region. Iraq's oil reserves will last it for 100 years, going by its 1984 production levels, which were very low as a result of the Iraqi-Iranian war.

Qatar's oil will run out in 24 years, Kuwait's in 227 years, and that in Saudi Arabia and the emirates likewise. These expectations are based on oil which has been discovered; oil might continue to exist for a long time in these countries if new discoveries occur.

The prices of oil in the wake of the October 1973 war underwent a great increase which the consuming countries managed to absorb. They quickly put

their affairs in order and reduced their consumption, demand for oil dropped, then prices fell after oil surpluses had arisen in the international market, affecting the producing countries, which had become accustomed to high revenues. Therefore, talk about "oil-poor Arabs" does not concern the physical depletion of oil resources so much as it means the retrenchment of the era of oil as an economic force. This recently manifested itself in the form of a consistent drop in the oil prices.

Nonetheless, oil will continue to enjoy a good situation, and the oil-producing countries will continue to enjoy a good situation, because the alternatives to oil cost twice as much as it does. Moreover, there is a stagnation in production, which is drawing close to the demand level, and the alternatives to oil do not yet account for more than 2.7 percent. The balance of power between the producing and consuming countries has changed. Immediately following the upsurge in prices, the industrial countries formed what is called the International Energy Agency, and after the oil surplus was absorbed there was an effort to reduce prices. As a result of the deterioration in the balances of payments, the oil countries were put in an embarrassing position, creating a rift in the ranks of OPEC which they are still suffering from.

The countries which succeeded in accumulating great oil surpluses abroad for their own account became the ones which were the most intensively subjected to pressures imposed by the industrial countries, foremost among them the United States. Indeed, they are perhaps more anxious about the health of these countries' economies than they are about themselves, out of concern on their part for the value of their accumulated funds.

The Prices

The oil price rectification following the 1973 war was late in coming, as far as its importance in guiding the use of energy in the industrial countries and the producing countries' entitlement to this rectification were concerned. This rectification would not have occurred in the absence of control by the producing countries of their oil resources. One should bear in mind that the monopolistic companies were not worried about price rises in the context of crude oil, as long as they could compensate for the difference in the transportation, processing and distribution stages.

The fact is that had the oil price rise been delayed beyond that date, a threat would have been posed to the interests of the United States, whose own oil resources were on the verge of running out. America had to create a gradual escalation in the cost of oil, with corresponding reasonable levels for local and imported oil, until the cost reached the level of potential alternatives which would take time to develop and begin producing on a large scale. It was in light of this view that the campaign of previous attempts to raise the oil price was sustained by countries revolving in the orbit of the United States, foremost among them the Iran of the Shah.

What perhaps completed the picture was that it was not as feasible for the other industrial countries to absorb the severe price rises as it was for the United States itself, because they depended on imported oil to a greater

degree and the cost of producing it from the intrinsic sources available to them was high. This magnitude of difference in burdens was desirable if a stop were to be put to the severe, rapid drop in the conditions of the dollar, then the devaluation of the dollar on more than one occasion.

In other words, the price increase was desired in order to save the future of the American economy; it would have not been permitted had that not been the case. The world still remembers Kissinger's statement following the rise in prices, when he set two limits between which the price of oil could move, a minimum of \$7 and a maximum of \$14, to which he added his statement of threatening to occupy the oilfields, most of which were in countries friendly to America.

In the light of the foregoing, what has become of the deduction some people have made, that the Arabs have become the sixth power in the world?

This statement was founded on three considerations. The first was that the Arabs achieved a victory in the October war which liberated their consciences from the complex of the repeated defeats that had been inflicted on them. The second was the oil embargo against major countries which had taken a blatantly antagonistic stand in their regard during their war of confrontation with the enemy. The third was their ability to stop their principle resource, which was oil, from going to waste at a low price. However, they soon came up against the deployment of the food weapon in face of the oil weapon. To what extent is this statement valid now?

The first fact is that with the escalation in the cash resources derived from producing and exporting oil, the sharpness of the difference in the distribution of incomes among Arab countries has increased. In 1970, the ratio of the lowest per capita income (South Yemen) to the highest (the emirates) was 1 to 78; in 1983 the ratio came to 1 to 134.

The Arabs Consist of Two Categories

This difference in living standard has created a sort of estrangement among Arab countries. The Arab countries have been transformed into two categories:

- A. Countries giving grants.
- B. Countries waiting for aid and rushing after it.

More seriously, a crisis of confidence has arisen between the two categories. The former considers that its cash resources have come about through the excessive outflow of their material wealth under the pressure of international demand for oil; therefore, they, and their coming generations, are more entitled to them than others. Moreover, they have given aid which is greater than that from the industrial countries. The latter category considers that Arab resources are draining abroad and it would have been more worthy had they remained within the confines of the Arab nation. Reinforcing this feeling, some of these countries bear the burdens of constant wars on behalf of the prime Arab cause, the Palestine cause, and, through their

sacrifice of their sons and blood, expect a financial contribution from their brethren, especially since the cause concerns the latter equally.

Therefore, the bonds of the united nation have loosened and indeed many people have hastened to dash remaining hopes of achieving a comprehensive union. Consequently there no longer is a single hand holding the oil weapon, which has been transformed from a weapon in the hands of the Arabs to an instrument, then a special issue.

The era of the oil threat has departed, not to return. This is because the industrial countries have insured themselves, first of all by providing non-Arab oil sources in the event of a threat, and secondly by increasing their amounts in storage in a manner which will be adequate for them for a long period, during which they will be able to set things right. At the same time, some oil countries have put their money in the capitalist countries, and this constitutes a deterrent to Arab countries since they will think a thousand times before trying to strike out at the economies of these countries -- thereby striking out at themselves and their own money. No doubt the world still remembers the story of the Iranian reserves which America blocked all over the West, because Iran had broken the pattern of deference at that time.

If the oil price is of significance in terms of the cost of alternatives with which it can be replaced, in the long run it will be in the Arabs' interests to limit excessive price increases, so that alternatives to oil will not be developed at prices which become tolerable relative to that of oil.

The second part of the confrontation is the food weapon which was unsheathed and used during the oil crisis. Indeed, in some respects it was used before the oil weapon. The price of a barrel of oil before 1973 was \$1.60, which was the price of a bushel of wheat at that time. If we follow the rise in prices, we will find that the price of wheat rose three times over in 3 years, that is, that the increase in the price of wheat stayed abreast of the oil prices. Nonetheless, an uproar arose over the oil prices and no reference was made to the prices of wheat, because it was the United States which was dominant in wheat and benefited from it.

Eight years later, the Arabs' food requirements came to 75 million tons, of which local production provided just 24 million tons, that is, twice what the region imported in 1982. We can imagine the burden of these imports in the future if food prices continue to rise, even at the same rate. One should bear in mind that the price of bread provoked numerous public uprisings in some Arab countries awhile ago, and still does -- how then will the situation be in the future? A time might come when Arab money will not find food for sale in the market, and this would constitute a serious development on the Arab front.

As far as the Gulf area goes, the Cooperation Council has been established, and, as a result of what have been called "security considerations," the local nature of this grouping has become more pronounced. There is a fear of the spread of the scope of the Gulf war and there are fears of the presence

of a Communist danger; therefore, oil money is hastening to buy weapons, which entail maintenance and renovation costs. Some of the local workforce might be put on alert. No one seems to remember that Lebanon, which was declared a Western zone of influence under the protection of the West, was torn apart as a result of the acts and weapons of the West. Likewise, no one seems to be noticing that Israel was created not just to survive but also to expand and infiltrate, being supported in this by the merchants and suppliers of arms to the region.

Peaceloving Countries

Dr Imam wonders what the situation would be if the countries of the Gulf declared that they loved peace and would not buy any arms at all. What would the arms merchants and instigators of wars in the West do?

Perhaps more serious than the blatant occupation of territory is the emergence of a tyranny of culture and civilization, which is one of the most important reasons which prompts Israel to erupt on the subject of the normalization of relations.

There are considerations by which Arab oil countries with a low population density are characterized. Among these considerations:

Their agricultural sector is modest.

Even if agricultural resources exist, there are obstacles in the way of the expansion of agricultural activity, including the difficulty of convincing citizens to stay away from urban areas or to be enlisted in working in an area of slow returns and great hardship.

The abundance of hydrocarbons and the dearth of mineral resources.

High incomes and the limited nature of the domestic market.

Low participation of the workforce, especially women.

A reluctance to enter into certain occupations.

The short period of expertise preceding the acquisition of technical knowledge.

The inadequacy of the base of scientific research necessary to absorb and develop technological capabilities.

The prevailing belief that the shortest way to technology is to barter it for oil.

The tendency toward an orientation toward rapid profits, including a preoccupation with financial and property speculation.

A rise in the cost structure has come about from all this; to compensate for the narrow markets, the profit margins have risen and there has been a rise in wages and real property.

Dr Imam concluded his research by apologizing for the length of the study and the gloominess of the picture he has painted regarding the Arab world, in which, notwithstanding this picture, he sees:

A nation with a deep-rooted history, replete with the oldest civilizations of the world.

A nation which has managed to fuse all its legacies of civilization in a unified cultural context which needs only some refinement in order to regain its brilliance.

A nation chosen by God to be the destination of divine messages, whose people have proved that they are equal to spreading the message.

Scholars have concluded that areas which get 200 kilocalories of organic radiation per square centimeter consist of the Arab region from the Sahara in Africa to Iran, alongside some diverse areas in the world. As a result, these are able to produce two or more crops per year. Scholars assert that the most suitable areas for human habitation are ones which combine high organic radiation and mineral resources.

However, reducing the difficulties facing the near future will require a new view, the consolidation of ranks and the abandonment of shortsightedness.

Arab unity is not a beautiful dream or a heavy nightmare; rather, it is the only way out of the serious dilemma which awaits the Arabs and is lurking in watch for their steps to come.

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REGIONAL AFFAIRS

GULF STATES MAY FRONT 'MASSIVE' LOAN FOR IRAQ

GF050535 Manama GULF DAILY NEWS in English 5 Sep 85 p 15

[Text] Bahrain--Iraq has approached international banks for a massive BD188.5 million (\$500 million) loan, the second in two years, to pay for its war with Iran.

Feelers have been put out by the state-owned Rafidain Bank to banks in the Gulf, America and Europe, with a mixed response.

Banking sources in Bahrain say that U.S. banks are not enthusiastic.

Iraq recently asked Japan to reschedule loans.

The money is most likely to come from the Gulf, with the mandate going to Gulf International Bank (GIB), owned by the six GCC states and Iraq.

The sources said the request poses problems.

Banks who turn their back on Iraq now will be demonstrating a lack of faith, and international economists agree that post-war Iraq may be one of the biggest and most lucrative markets for reconstruction and development.

But chances of the loan being restructured or rescheduled within the five-year term requested are high.

"Anyone who takes this up will be going in with their eyes wide open," one banker said.

Outside pressure may persuade Arab banks to be more involved than current market caution dictates, and the leaders are most likely to be GIB, Arab Banking Corporation and Arab Bank.

An all-Arab deal is a possibility, particularly as some American banks are understood to have given a flat turn-down.

Iraq borrowed BD188.5 million in 1983 and has kept up interest payments, though some have been rescheduled. Since then, however, it has become further heavily committed to Saudi Arabia and Kuwait, though on soft loan terms.

CSO: 4400/266

ARMENIAN AFFAIRS

HISTORICAL COMPARISON OF PRESIDENTS WILSON, REAGAN

Paris GAMK in Armenian and French 14 Aug 85 p 3

[Text] They say history does not repeat itself,
and yet!

For the second time in 65 years the American congress has voted against a pro-Armenian resolution. The New York Times deplores this vote.

The Wall Street Journal analyses the situation in "RealPolitik" terms.

Armenian newspapers indicate their displeasure and call for justice.

However, the text submitted on 4 June 1985 to the representatives of the American people is different from the one of 1 June 1920.

In the former case it was a question of giving moral satisfaction to the Armenian community of the United States (600,000 members) by making 24 April a "National Day of Man's Inhumanity to Man." In the latter, the future of the Armenian republic, which was threatened with destruction by its neighbors and whose population suffered from starvation and from epidemics, was at stake.

In April 1985 President Ronald Reagan, echoing Caspar Weinberger, his "Secretary of War," exhorted members of the House of Representatives to vote against Resolution 192 "in order not to displease a very sensitive ally: Turkey."

On 24 May 1920 President Woodrow Wilson sent a message to the American Senate requesting authorization to accept a mandate for Armenia because "the great and generous American people have espoused the Armenian cause...Recognition of Armenian independence by America and the assistance she will give Armenia will mean true freedom and happiness for Armenians."

In 1985 a president and 180 representatives prevailed over 233 representatives; in 1920 a president and 23 senators lost to 53 senators.

One can hold forth as long as one likes about the futility of a commemorative day or about the imperialist character of that mandate.

It nevertheless is a fact that these two votes were victories for the Turkey of Ozal and of Kemal.

But beyond the personality of each president, and the views one might have about America and its leaders, what is useful to understand about taking a decision of this importance is the respective weight of the arguments pro and con.

General Harbord's report, which was the center of discussions in 1920, and we are publishing a condensed translation of it, demonstrates that sentimental arguments weigh less than million of dollars. Who would still have doubts about that?

We have not seen the text of the recommendations of Reagan's advisers, but it would not be surprising if they had been set forth in two columns, one presenting the moral character of the recognition of genocide and the other estimating the economic and political cost [of such recognition].

And then, of course, there is the underlying balance of forces in the area.

While the independent and unified Republic of 1919 was strengthened by its reconquest of Cars and "Ardahan," the Republic of 1920 was caught in the midst of the economic disorders of Transcaucasia, the sovietization of Azerbaijan, and the British retreat from Georgia.

Furthermore, at its borders Mustafa Kemal was building up his movement and his army, and preparing to reunite dismembered Turkey by assaulting Armenia.

The window of opportunity (as the English say) would thus remain open for less than 8 months.

It would have been necessary to hold the terrain and be strong enough to lay claim to the help of others, or, as the Wall Street Journal coldly wrote on 10 January 1920: "Nations born of the war and in starvation must prove their right to existence by demonstrating their will to survive."

After that, the personal arbitration of Woodrow Wilson over its frontiers 7 days before the sovietization of Armenia was no more than a symbolic act, hardly a consolation.

Just like the nomination, a few days ago, by Reagan himself of governor George Deukmedjian to the Holocaust Council.

9772

CSO: 4619/65

ALGERIA

MINISTER CRITICIZES BUILDING DELAYS, STRESSES DEADLINES

Algiers EL MOUDJAHID in French 20 Aug 85 p 4

[Article by Rachid Semmad]

[Text] Continuing his working and inspection visits across the country, Abderrahmane Belayat made the governorate of Medea his first stop yesterday on a tour that will take him successively to Djelfa, laghouat, and Ghardaia.

The minister of urban planning, construction, and housing, accompanied by his close associates, is using these in-depth visits to acquaint himself with the problems slowing down the various construction projects and then apply the necessary remedies to the design and construction structures.

The minister and his accompanying delegation made their way to the ZIUN [New Urban Housing Zone] of Theniet El Hadjar. Covering an area of 150 hectares, of which 138 hectares remain to be developed, this zone will comprise 3,543 dwelling units (including 670 single-family units) for a population of 21,600. Once on the site, Belayat gave strict instructions to the builders to speed up the construction process, taking into account the length of the day (15 hours), notably at the site of 700 dwelling units where site development has not begun.

In the second ZIUN--Merdjekkhir--where plans call for 5,242 dwelling units (including 1,800 single-family units) and 34 hectares are to be set aside for socioeducational facilities, the minister's inspection of the construction site of 300 dwelling units revealed a 9-month delay in construction and the existence of Type F-2 dwelling units, which in no way meet the needs of families.

The minister later denounced the behavior of certain builders on the basis of legal irregularities he had noted here and there and called on the prime contractors to shut down the worksites in question and to determine responsibilities at each one.

In Berrouaghia, the minister visited the urban housing zone comprising the communes of Tablat, El-Onaria, Azizia, and Berrouaghia, where 2,579 dwelling units are to be built. That project, entrusted to a foreign firm, is ahead of

schedule, with 1,107 dwelling units to be delivered before the end of this year.

At the district administrative center, Belayat also inspected the worksite of 500 dwelling units. Started in 1984 after a 52-month delay, the work is going well, because of the 220 units on which appreciable progress has been made, 60 will be delivered at the end of this month.

After visiting an F-2 apartment, the minister asked those in charge not to build any more dwelling units of that type and to convert them into offices for doctors and dentists and into commercial premises of the kind essential in a housing development. The party then proceeded to the district of Ain Boucif, where the minister was to visit the ZEDR that will comprise 1,681 units, including 1,727 [as published] in apartment buildings. At the site of 767 units, Belayat stressed the need for the first group of units to be accepted during the first half of December, with all of the remainder to be completed by June 1986. The minister took advantage of his visit to the construction site of a 1300-500 technicians to remind the foreign builder to take all necessary steps to see that there would be no delay in the start of the 1985-1986 school year. In the district of Ksar El Boukhari, the ministerial delegation visited the site of 400 dwelling units which are the scourge of the city, as the minister emphasized.

Belayat insisted that the investment be made more effective through rational occupation of the area. The construction of 250 units that had been dragging on for several years must be resumed before the rainy season, the minister noted. At the 600-200 CEM [College of Intermediate Studies]--a project started in 1980 only to be abandoned several times and then restarted 3 months ago by the EPWP [State Enterprise for Building and Public Works] in Medea--steps have been taken locally to ensure that the enterprise will deliver the boarding school buildings in November 1985.

The minister ended his visit by inspecting the site of 198 dwelling units being built to replace precarious housing. The work has been underway since March of this year and is 20-percent complete. In talking with the builder, the minister encouraged him to continue his efforts at the same pace and assured him that he [the minister] would be completely available for solving the problems encountered. The minister concluded his tour of the governorate of Medea by holding a working meeting with the members of the coordination office, the main cadres of his ministry's department, and the governorate's politico-administrative officials.

11798

CSO: 4519/196

ALGERIA

SPECIAL SQUAD ABOUT TO LEAD FIGHT AGAINST TAX EVASION, FRAUD

Algiers EL MOUDJAHID in French 3 Sep 85 pp 1, 3

[Article by M'Hammedi Bouzina: "Fight Against Tax Fraud and Tax Evasion: The Special Squad Is Ready"]

[Text] "All taxpayers are equal under the law,"
Mr Boualem Benhamouda stated at the first meeting of
the special tax-fraud control squad.

Algiers (APS)--A working session devoted to the identification of ways and means to intensify the fight against tax fraud and tax evasion took place in Algiers yesterday; it was chaired by Mr Boualem Benhamouda, member of the political bureau and minister of finance.

In addition to the vice-minister of budget, the meeting was attended by members of the intervention squads of several governorates, in charge of investigating and recording taxable items as part of the fight against tax fraud and tax evasion.

The question on which the Ministry of Finance and the Directorate of Taxation are now working is how to persuade citizens owning non-reported assets or clandestinely engaged in industrial or commercial activities to come forward and pay the amounts owed to the State.

On 4 April 1985, the Ministry of Finance created a "special investigation and control squad" responsible for identifying and recording taxable items. The fight against tax fraud and tax evasion had thus started in a strict and organized manner. In spite of the summer, of the month of Ramadan and many other constraints, the special squad accomplished a satisfactory and quite revealing task in two months.

Some figures: for the time being, the squad consists of 140 agents recruited from the governorate administrations, and it has completed 5,081 interventions. It has already identified 553 clandestine commercial activities. Of these, 110 are now straightened out. These 110 taxpayers thus paid back taxes amounting to 544 million centimes! The fight against tax fraud is now operative and will go on permanently. At yesterday's meeting, the finance minister congratulated the squad's agents and pointed out that another 150 controller agents now in training would enable the squad to intensify its

activity at national level. Indeed, for the time being only 33 governorates out of 48 are covered to a greater or lesser extent. The others, governorates in the South and the Extreme South, will soon be covered too.

At this first squad meeting, a number of questions having to do with its mission and its means of intervention were raised. The meeting also threw some light on the illegal behavior of certain categories of taxpayers who refuse to pay taxes. For instance, Algiers taxi operators who have not paid their estimated tax instalments (from 500 to 750 Algerian dinars per quarter) for close to 3 years. "This is intolerable," Mr Boualem Benhamouda stated, and he then added that "first of all, the estimated tax is very small and, second, taxi owners are doing something illegal. We must put an end to this matter."

The example mentioned by the Algiers representative is only one among many. Inspectors as a whole strongly complained that many merchants do not respect price and profit-margin regulations. Some merchants take a profit that is sometimes four or five times the allowed amount.

Squad agents also reported to headquarter officials that many private firms and real-estate owners report false revenue figures.

This situation is positively abnormal and it is the special squad's task to set things in order.

Investigation First

In view of this, the finance minister further clarified the part to be played by this new body of inspectors.

"You will work exclusively in a legal context, to enforce the law and correct situations, and all taxpayers will be able to appeal for equitable relief or legal remedy," the minister stated.

Also, according to the vice-minister of budget, Mr Benamar, investigation and investigative work will be the squad's constant concern.

After collecting the questionnaires sent to taxpayers, the inspectors must investigate any questionable case. Through cross-checks and with the cooperation of other governorate and community departments, light can be shed on these cases. The information obtained by the investigation will be transmitted to the services concerned which will act according to the law. In the case of tax fraud, that means fines and legal proceedings.

With the forthcoming reinforcement of control squads, headquarter officials expect that it will be easy to force all taxpayers, in particular willful tax evaders, to comply with the tax law.

The finance minister, who insisted to put an end to these abusive practices, explained in substance that tax evasion and tax fraud exist in all countries of the world, even those best equipped with computers..., but that the Algerian state cannot tolerate such a situation. The minister added that, through its

activity, the control squad will provide a better approach to the financial flow which will in turn become easier to define and control.

In this sense, the task to be accomplished by the inspectors will really be one of investigation and research aimed at identifying all commercial and other activities. It goes without saying that such fraudulent behavior amounts to an attack on the country's economy.

The State encourages all forms of investment, but in a legal context. It is entitled to levy a 10-percent ITS [expansion unknown] income tax, and this amount must be paid.

Worse, the finance minister mentioned that certain state-owned companies are late in paying to the departments concerned the ITS tax deducted from workers' wages.

Such delays will no doubt perturb the State's cash flow.

The many problems discussed at the meeting once again caused the minister to state that he was pleased with the hard work of this body of inspectors who provide a true picture of what is going on throughout the country's economic sector.

Finally, the minister insisted that the various governorate departments (tax, trade, APC [People's Communal Assembly] files, etc.) should consult with one another and cooperate with the body of inspectors for an effective action. The material problems (means of transportation, field of action, etc.) encountered by this new structure have been carefully identified in order to find immediate solutions. The 150 new agents that will soon become operative will intensify work in the field.

This will therefore be highly beneficial to the country and will put an end to many speculations.

9294
CSO: 4519/203

ALGERIA

NEW LAWS AIM TO REGULATE CONSTRUCTION SECTOR

Algiers EL MOUDJAHID in French 3 Sep 85 pp 1, 2

[Article signed R.N.: "Illegal Constructions Made to Comply: Reassurance and Dissuasion"]

[Text] Reassuring and dissuading: this seems to be the goal of the newly promulgated construction laws.

As a reaction against the anarchy that prevails in the construction sector, new regulations were just promulgated.

These texts, designed precisely to tackle illegal construction, are intended both to reassure and to dissuade. To reassure those whom necessity induced to undertake some construction in violation of the law, by enabling them to regularize their situation. To discourage any such behavior in the future by making it clear to some that faits accomplis may not be irreversible.

Several regulatory texts were promulgated recently to give a strong impetus to the fight against the anarchy that has prevailed until now in the construction sector. These are:

- the order dated 13 August 1985 containing provisional regulations on land occupancy, with a view to preserving and protecting it;
- the decree of 13 August 1985 concerning the issuing of building and development permis;
- the decree of 13 August 1985 indicating the conditions under which the actual occupants of public or private land that have been the object of acts and/or constructions not in compliance with current regulations may be confirmed in their rights of disposition and habitation;
- the interministerial instruction of 13 August 1985 concerning the taking over of illegal constructions.

Under the order of 13 August 1985, in particular, a building permit is required for any construction, and any construction built without first obtaining a building permit will be torn down and the site restored to its former condition at the builder's expense. The order also contains provisions to protect agricultural land and enforce urban development regulations.

As for the decree of 13 August 1985, it answers the concern of regularizing the situation of many individuals who did not comply with current regulations solely because they needed housing. The decree actually takes into consideration the objective causes of the illegal construction and thus provides the conditions required to regularize situations existing prior to 13 August 1985. Note in particular that the only constructions that may be brought in compliance are those meeting minimum town-planning and building standards, either initially, or after completion of work to bring them in compliance.

Thus, the owner of a building that does not comply with current standards is now free to make the alterations necessary so that the building will comply with regulations. Minimum town-planning standards involve compliance with:

- easements leading to a declaration of non-aedificandi;
- regulations concerning protected sites and zones;
- safety regulations;
- an appearance that does not seriously disfigure the environment around the building concerned.

We should also point out that governorate and district commissions will be created to implement the provisions of this decree.

The district commission will investigate the cases subject to regularization. The governorate commission will follow up and evaluate the work of the district commission; it will also consider appeals for equitable relief and identify the cases involving restoration of sites to their previous condition, and procedures to be applied.

To complement this setup, the interministerial instruction of 13 August 1985 will examine all cases of illegal construction and define the context in which they could be solved before appointing the organism that will be responsible for implementing the solutions arrived at and the corresponding procedures. The instruction will thus determine precisely which constructions may be regularized and which may not.

The interministerial instruction emphasizes the fact that the exceptional solutions encouraging the taking over of illegal constructions must be implemented in the spirit of equity and objectivity that inspired them. The text also points out that all measures and action must be taken in a continuous manner, so as to end once and for all the phenomenon of illegal construction, which should never be condoned again in the future.

We have therefore a set of texts designed both to reassure and to dissuade: to reassure those whom necessity led to undertake constructions in violation of laws and regulations, by offering the possibility of straightening out their situation; to discourage any such behavior in the future, by making it clear to some that faits accomplis may not be irreversible.

ALGERIA

EFFICIENCY MORE IMPORTANT THAN IDEOLOGY IN MANAGEMENT

Algiers EL MOUDJAHID in French 29 Aug 85 p 1

[Article by E.M.]

[Text] One of the topics of interest most frequently broached in the debate on enrichment of the National Charter is unquestionably that of the management of the economy. This reflects a legitimate concern on the part of the aware citizen, who realizes the extent to which the economic component--through all its constituent parts as a whole--determines a nation's sovereignty by guaranteeing the exercise of that sovereignty: the extent to which it also constitutes the foundation of a society's well-being, its prosperity, and, consequently, its equilibrium.

It is to be noted, incidentally, that most of the speeches are concerned in particular with forms of management--a subject to which the National Charter adopted by the Algerian people in 1976 devotes the last point under title 3, where it states that "forms of management do not constitute immutable dogma."

"This means," it says, "that (those) structures can be amended, improved, or changed as a result of experience, new objectives to be achieved, the development of productive forces, a higher degree of maturity in the social awareness of the workers, and the advancement of progress in all its forms."

There can be no confusion between challenging [the basic assumptions] and evolution--the latter term being included in the three-part plan underlying the current debates. The immutable character of our option arises from the very essence of the Algerian Revolution, and in the chapter on management of the socialist type, it is reflected in three basic facts: the collective nature of ownership, various forms of worker participation in management, and the equitable distribution of national income, with capital being accumulated for collective benefit, not that of an individual.

Those facts having been stated, the situation today is that the debate is concerned not with the socialist character of our economy but with forms of management, and they are not immutable. The problem is to determine, on the basis of experience and the international situation, both of which are

evolving constantly, the characteristics of good management of the national economy. One basic answer is summed up in the word "efficiency." Actually, that is a big topic and one that presupposes a clear definition of responsibilities, the exercise of authority in economic matters, and prerogatives, as well as the establishment of forms of control based on the same concern for efficiency--that is, rigorous without being paralyzing. In short, both points introduce the idea of sanctions, without which they would be nothing more than pious hopes.

Cadres and officials at all levels are the people primarily concerned by all these actions, being called upon to invest their competence and awareness in the exercise of their mission. That is an important, if not basic, element, because without it any form of management, regardless of its validity in absolute terms, would be doomed to failure. In the second place, it cannot be dissociated from the work element, which--as there is no need to repeat--is the only real driving force behind development as long as it is inspired by a firm will to accomplish something worthwhile.

So beyond the laws of management, given as subject to change but nevertheless governed always by scientific rules, what we should be reflecting upon today are the ways and means of achieving maximum efficiency from the efforts of all economic agents. This means that the economy, like other chapters in the charter, is subject to the necessity for change as a way of ensuring that the basic objectives of the revolution and the material and human purposes of socialist construction are fully adequate.

By stressing the various components of economic practice, the participants in the debate on the enrichment of the National Charter are merely demonstrating the Algerian citizen's awareness of the sacred character of some and the urgent necessity of others.

11798

CSO: 4519/196

ALGERIA

EVOLUTION OF REVOLUTION, ROLE OF NATIONAL CHARTER

Algiers EL MOUDJAHID in French 22 Aug 85 p 12

[Editorial: "Progressing"]

[Text] A revolution that does not evolve, that does not transform itself, is doomed to failure.

Intellectuals know that the obstacle to the enrichment process is scholasticism, which consists of boring anyone desirous of acquiring real knowledge, of perceiving objective knowledge dictated by the realities that have been experienced with knowledge obtained from books that is independent of reality. In short, we will not make speeches: not about the Gargantuan knowledge that the evolution of the society fatally attributes to a fringe of the privileged society nor about a lack of social development, which colonialism has turned into a fatality — for us. And if only we try to be ourselves, with our weaknesses included, but also the splendors that the world, as an objective and impartial observer, has recognized in us a bit in spite of itself?

And first of all, what have we said, our people and leaders in unison, from 1976 to this day, that is, from the time of our people's adoption of the Constitution to this day during which time Algeria has gotten through more than one important phase?

Let us remember: we wanted the approach to be as remote as possible from rigid dogmatism, from a sterile attachment to norms which evolution and time might have "digested."

"A revolution that does not evolve, that does not transform itself, is doomed to failure": the leaders of the FLN Party have often reminded us of this primary truth.

It is nevertheless true that the Constitution is our "national credo," the "fundamental source of the laws" of our country. But this is as much as to say that it has been erected by the force of circumstances and of time, in this sort of brake that inhibits any social change, at a time when the rest of the world is evolving at a dizzy pace as concerns the fundamental, even vital changes of social, and why not say it, human development?

The Koran, a divine work par excellence, does not change; who will convince us of the contrary? But it is a work, what is more, that is human and, no matter what the sources and motives that inspired it were, one that necessarily calls for changes, for enrichments. The work of a political directorate and a people, the constitution does not escape this rule.

The rules of the game are specified from the start. It is a matter of progressing, not regressing, of extending our gains, not questioning them, of better clarifying the paths of progress in order not to go astray down the winding paths of ideologies that are not doubtful, but are not especially adapted to our requirements or to our approach. A revolution that does not correct itself, that does not rectify its errors and that does not adapt itself to the demands of the phase it is going through is a revolution directly exposed to the risks of failures.

What does the people demand, we might say, with its irrepressible need for social justice, equality included, with its still legitimate aspiration for social improvement and dignity?

Everything arrives in the nick of time. This same people that defined its future in a constitution in 1976 today has the right to specify its contours, to go more deeply into its content for specific purposes, in short, to express its vision of the future in complete and democratic freedom.

But let us say right away that the sharpeners and those who are homesick for a certain time will be disappointed because of the living-in-the-past they cultivate and the rear-guard action they are waging : the people of Algeria, who are at this time mounting a new battle, do so with a sharper awareness than ever before that it is in order to lead better lives, to achieve greater rigor at work, to have a mere secure future. Therefore, it is a more revolutionary approach than ever before, which is leading the country to gain momentum for a new phase on the road to progress under the watchword: "Fidelity, continuity, evolution."

Can we ever repeat it enough? Fidelity is not only a worthy homage rendered daily to those martyrs who watered the soil of a generous fatherland with their blood, to those valorous independence fighters who are still guiding the country, in short, to the generation of November 1954, but also a reminder of what gave rise to the sudden turn of events that saved us, that spark lying hidden in the recesses of history. It is first of all a historic rejection of colonial domination with all that that involved and still involves as an attack on human dignity. It is something that is understood and the youngest of our people know it perfectly well: Dignity is not negotiable.

Unique in its genre and in the world — the word is not too strong — the glorious November 1954 revolution continues to be the white stone that still marks our path. And this path — thank God — is not that of a subject people, perverted by a sudden manna or mystifying speeches. The fighting spirit of 1954 must remain exactly the same in this year of 1985 in which the battle, while still being waged, is being geared down to the size of our enemies and is acquiring an ever-growing audience.

Continuity: We will certainly not rejoin Mr de La Palice since so often in this difficult world things do not necessarily go without saying. Various international forums have taught us this lesson and offered us proof of it. While it is in any event hard to change a multiseular international order of affairs based on injustice and might makes right, we may say that it is to Algeria's credit that it has really rehabilitated the Algerian citizen, to the point of associating him closely with the exercise of a responsible democracy in which everyone can express himself with all the active outspokenness befitting a developing country. This has not always been easy — we must be honest enough to admit — but who is the worker who has not had his say in complete confidence, safety and democratically, despite the demagoguery and populism of some and the criticisms of our good administration of others?

Who can forget that the socialist options of an independent Algeria are written into the documents of the revolution of 1 November 1954? We are not remaking history, and so much the better. The jihad that aroused the masses in 1954 today has its perfect security in our proclaimed attachment to Arab-Islamic civilization, a proven source of morale and political guidance. Likewise and proceeding from the same kind of logic, the Arabic language, the national language of the Algerian people, continues to occupy, under the sustained attention of our political direction, the position that naturally and rightfully belongs to it in the machinery of our public administration agencies, in particular those that are in direct contact with the citizen.

All this is no small matter and the debates that are now taking place confirm the fact that this is the path we must follow.

However — and at the risk of repeating ourselves — we must immediately counter two dangers:

First, smug self-satisfaction, which generates self-sufficiency and self-conceit and retards changes indispensable to the evolution of any society. It is an evil that must be extirpated from our ways if we want to be in tune with the strong, evolved nations, among those that count in the world. Criticism and self-criticism must be the two breasts of a constructive approach that should lead to better tomorrows.

The second danger, which dialectically stems from the first, is the complacency that consists of always considering ourselves to be among the best and the strongest on our continent within our geopolitical and strategic sphere of influence. Who would contest the fact that we seriously have something to be proud of? Others, to be sure, say so for us, but we must — and we say so — be among the first to admit our own inadequacies, to study and discuss ways of mending our ways, with an eye to greater efficiency, particularly economic.

Evolution: It is the rejection of sclerosis, stagnation and inertia. Evolution is understood in the sense of regeneration, of progress, of the best goes to the best, of renewed organization, of a people's creative effort. He who speaks of evolution speaks of obedience to that law of life that allows

room for neither sclerosis nor dogmatism. The people of Algeria have adopted this truth in without restrictions subscribing to reforms of the economic plant, decided on and set in motion by the FLN Party, conscious of the fact that this is part of the necessary adaptation of the economic machinery to the new phases of its development and to the demands of a world in constant and continuous evolution. It is also the distribution of the national effort and the utilization and implementation of all of the nation's potential, whether it be public or private. These are the "sine qua non" conditions for the edification of a state and a modern, prosperous, solid and strong national economy. Moreover, we cannot do otherwise.

In this modern age we are condemned to progress if we do not want to regress. Islam, a fundamental component of our personality, an inexhaustible source of knowledge that adapts itself to all places and all times, secretes and generates this evidence: social evolution, the very expression of the liberation of man and his aspiration for the noble ideals of progress.

11,466

CSO: 4519/193

MOROCCO

ACTION TO HALT RISING WATER, ELECTRICITY PRICES SOUGHT

Casablanca RISALAT AL-UMMAH in Arabic 19 Jun 85 p 5

[Article by Abu Ramzi: "Water, Electricity Prices and need to Protect Citizens' Purchasing Power"]

[Text] These days there is talk only of water and electricity. The water and electrical bills paid by the individual citizen, or even companies and the like, are on a continuous rise that is even unreal in many cases. This is not attributable to increasing consumption as might come to mind, but to a rise in the prices put into effect by the independent agencies, in addition to a multitude of fees and taxes, the application of which these agencies are perfecting in a manner that may surpass the very governmental authorities that are concerned with taxes.

These agencies have justified the increase taking place in water and electrical prices by rising production costs, especially after the climatic conditions Morocco has experienced in recent years. The arid condition that has settled upon our country has clearly and tangibly affected our water supplies, whether those collected in rivers, behind dams, or underground. This calls for urgent action to drill for potable water.

Water collected behind dams falling below the level necessary to run the electrical power generating plants resulted in stopping them from operating, and consequently in a terrible deficiency in electrical production. This necessitated resorting to energy commodities like bituminous coal and fuel to cover the great deficiency taking place in the area of electricity. Without a doubt, this led to a rise in the production cost of a kilowatt of electricity because of the increase in energy commodities used in producing it.

These, then, are sensible reasons, and this is a fact which has been examined. However, there is a second fact that must always remain before the eyes of the officials.

It is the fact of the citizens, especially those who have limited income, who constitute the vast majority. They are the ones who are overwhelmed by the rise in rental rates, prices of foodstuffs, and prices of transportation, not to mention clothing, health care and school supplies. If the

officials are dealing with some of these necessities such as clothing, transportation, treatment, etc., as though they were secondary -- this in itself is reprehensible -- it is a different matter where water and electricity are concerned, because with respect to the citizens water and electricity are necessary, fundamental commodities on the same level with or more so than some basic foodstuffs. Thus we see that it is necessary that these two commodities obtain the same support and assistance from the nation that some foodstuffs obtain.

This support can take several forms. This includes, but is not limited to, these examples:

- Price supports for the fuel used to produce electrical energy or used for equipment for digging and drilling for water and at purification stations. By its very nature this reduction in fuel prices will limit the rising cost of production, whether with regard to water or electricity.
- Exemption of water and electricity consumption from tax fees, which in some cases exceed the amount charged for consumption.
- Creating a fund for the budget financed by a portion of the profit obtained from the regional exploitation of water and electricity, with the aim of creating reserves to meet emergencies, whether with regard to changes which may occur in the prices of materials and equipment used in production or as pertains to the deficit which may occur in any given year. Consequently the citizen will be protected from bearing new burdens that increase the decline in his purchasing power.

From another standpoint there are other reasons which we view as a principal factor in rising water and electrical bills, and here it is related to the independent agencies. It is a secret to no one that they contrive capital [expenses] in the form of high wages, compensations and overtime, and other such methods which make it possible to bestow legitimacy on illegitimate expenses for which the citizen pays out of his pocket through rising bills. What makes things even worse is that these privileges which the agencies grant themselves are not paralleled by the necessary good management and practice and good treatment of the customer.

9605

CSO: 4504/413

BAHRAIN

COMMERCIAL BANKS BOOST ASSETS, LIABILITIES

GF070530 Manama GULF DAILY NEWS in English 7 Sep 85 p 10

[Text] Manama--Bahrain's commercial banks boosted their assets/liabilities by BD99.5 million during 1984, the Bahrain Monetary Agency's [BMA] annual report reveals.

And through this 8.1 per cent rise the banks were able to report "generally good" profits, says BMA governor Abdallah Sayf.

The BMA report covers extensively every aspect of the island's economy and its performance last year.

Commercial banks total assets, excluding contra items, totalled BD1327.6 million compared with BD1228.1 in 1983.

The commercial banks' consolidated balance sheet, including contra items, amounted to BD1871.6 million--a 12.8 per cent increase over the BD1659.7 million at the end of 1983.

"The main change was a big rise of BD97.5 million in bank credit to residents," says the report.

The aggregate assets/liabilities of the 76 operational offshore banking units [OBU] declined marginally to US\$62.69 billion at the end of 1984 from US\$62.74 billion at the end of December 1983.

Mr Sayf, in the report's foreword, says in 1984 OBUs often faced difficult trading conditions.

The results achieved, therefore "suggests the market has reached a certain level of maturity in terms of size," he said.

Bahrain's oil production in 1984 reached the previous year's level of 15.3 million barrels, breaking the downward trend of five per cent per annum experienced since 1970.

"This improvement reflects the continued efforts by the government to modernize oil drilling equipment and introduce advanced production methods to maintain the level of operations," says the report.

Refined oil production increased by 16.9 per cent from 63.8 million barrels in 1983 to 73.4 million in 1984.

Crude oil imports piped from Saudi Arabia increased by one per cent--500,000 barrels--to 48 million in 1984. The value of crude oil imports was BD534.8 million compared with BD522.9 million in 1983.

Oil exports of refined products increased by 10.3 per cent benefiting from the slight increase in world oil demand. In terms of value these exports--including the government's 50 per cent share in the offshore Abu-Saafa field--were five per cent higher at BD1019.8 million compared with BD972 million in 1983.

Gas production rose by 11.9 billion cubic feet to reach 196 billion compared with 184.1 billion in 1983.

During the year the output of non-associated gas rose by 5.9 billion cubic feet to reach 145.2 billion. Associated gas production was up 13.4 per cent to 50.8 billion.

The report focuses on a number of individual companies.

Aluminium Bahrain registered an increase in total metal production of 5,422 metric tons from 172,657 in 1983 to 178,179 to exceed the plant's rated capacity of 170,000.

"Due to higher world prices and increased world demand aluminium exports increased slightly in the first half of the reporting year but total exports for the year declined by 4.2 per cent," says the report.

Bahrain Saudi Aluminium Marketing Company, which handles aluminium sales for Bahrain and Saudi, recorded a net profit of BD14.9 million in 1984 compared with BD11.3 in 1983.

"Total income was BD104.7 million despite the decline in total sales of 11.3 per cent over the preceding year," adds the report.

CSO: 4400/266

BAHRAIN

BRIEFS

OFFSHORE BANKS' ASSETS--Manama, 30 Aug (WAKH)--At the end of July, the assets and expenditures of the 74 offshore banks in Bahrain totaled \$57.2 billion. [Summary] [Manama WAKH in Arabic 1045 GMT 30 Aug 85 GF]

ECONOMY STATISTICS--A report by the Bahrain Finance Institution shows a balanced economic growth rate in Bahrain for 1984. This report also shows an inflation rate of less than 1 percent in 1984, compared to 3.5 percent in 1983 and 6 percent in 1982. [Summary] [Manama AKHBAR AL-KHALIJ in Arabic 6 Sep 85 p 1 GF]

OIL OUTPUT--For the first time since 1970, there has been a noticeable improvement in the oil output from the Bahrain oil field. Oil output in 1984 remained at the same level as 1983, which is estimated at 15.3 million barrels. During the previous 14 years, there had been an annual 5 percent decrease in oil output. [Excerpt] [Manama AKHBAR AL-KHALIJ in Arabic 12 Sep 85 pp 1, 5 GF]

MONETARY INSTITUTE REPORT--Manama, 13 Sep (QNA)--A monthly report by Bahrain Monetary Institute today said that the 74 offshore banks in Bahrain had assets worth 57.5 billion at the end of July: an increase of \$242 million compared to the June figure. The report also said that last year Bahrain's natural gas production increased by 11.9 trillion cubic feet, taking the production growth rate to 6.5 percent. [Summary] [Doha QNA in Arabic 1245 GMT 13 Sep 85 GF]

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IRAQ

SADDAM FACING GROWING OPPOSITION

East Burnham ARABIA: THE ISLAMIC WORLD REVIEW in English Aug 85 p 48

[Text]

President Saddam Hussein of Iraq is reported to have executed in recent months Shafikal-Kamali, a member of the ruling Baath party central command, and Madlul Naji Hanna, a high-ranking regional party official in the Baghdad area. According to the UK *Economist*, an increasing number of Baath leading members are keen to get rid of the Iraqi president. The Baath dissidents reproach him for getting Iraq into a seemingly endless and certainly costly war with Iran. At the same time as condemning him for concentrating too much power in his hands, they believe that without him Iraq could make peace with its eastern neighbour. Dissension within the Baath is also encouraged by serious internal and external difficulties for the country that have worsened as a result of the war.

In the war against Iran Baghdad's strategy of air strikes on civilian targets has paradoxically frustrated the Iraqi rulers even further. While it has created a lot of hardship among Iranian civilians, it did not result in a general uprising in Iran. On the other hand the raids earned the Iraqi regime international denunciations, including some from the OIC's normally reticent secretariat. Moreover, the air attacks forced Iran to develop missiles, several of which hit Baghdad in April and May. Meanwhile, Syria is reported to have given Iran SAM missiles which have been deployed around Mehrabad airport in Teheran to deter Iraqi fighter-bombers from approaching the area. On June 3 an Iraqi plane was damaged and later crashed inside Iraq, according to the *Economist*.

In the meantime, Iran's diplomatic offensive, involving Libya, France and China, started to pay dividends. Libya's open support for Iran led Baghdad to sever diplomatic relations with Tripoli at the beginning of July.

Inside Iraq, the war has caused the ruling Baath party to tighten its grip on the population even further. Party members, the popular militia and the security services have created a climate of tension and mistrust, which has resulted in increased oppression and intimidation. Innocent people have been arrested and tortured until they confess to belonging to the outlawed Islamic Dawa Party. Such arrests have been carried out on denunciation by pro-government men who want to settle accounts, Islamic opposition sources told *Arabia*.

Drinking-places are reported to have spread in recent years, especially in the capital. This has resulted from the issuing of licences for Muslims to run bars — which was illegal in Iraq before the war, even under Baathist rule. Similarly, Dawa Party reports say that prostitution is encouraged by the authorities which are said to have imported, for the purpose, foreign women who can be seen in the main ar-Rasheed Street in Baghdad.

Army morale is said to be low. The *Economist*, quoting "opposition sources," stated that 120,000 of Iraq's million-plus troops have deserted since the beginning of the war. For fear of being executed, deserters have joined the anti-Baathist Kurdish guerrillas or the Islamic Dawa Party (IDP) commandos who

continue to attack the government army in the southern sector marshlands. Others are helped by the IDP to organise into autonomous armed bands which carry out raids on military and economic targets. A full-scale battle is reported to have taken place last March, north of Mosul, between deserters and the army. However, those deserters who are caught are taken to their place of origin and shot in public. Ten of them are reported to have been brought to the Kerkh district of Baghdad last March and shot by the "popular" militia in a square, in front of their relatives and an audience rounded up for the occasion. Their relatives were not allowed to give them Islamic funerals, Iraqi mujahideen sources said.

Because the widespread desertion has caused great concern to the Baath regime, soldiers on the front are shadowed by "loyal" commandos who shoot anyone showing signs of surrender or being reluctant to advance or fire. Those killed are sent to their families with the label "traitor to his homeland."

Meanwhile, the Islamic Dawa Party's military wing has been active throughout the country. It carries out commando attacks on specific targets. For example, the explosions and ensuing fire last February in a big industrial complex near the capital is believed to be the result of an Islamic Dawa Party operation, although reports from Baghdad are impressive on this issue. This iron and steel complex was undoubtedly a target for the Islamists because of its military connection. From making tractors and other agricultural

machines, the unit is now producing army transport vehicles as well as parts for tanks, Dawa sources said.

The IDP was also held responsible for several explosions in the capital between March and May. It is believed, however, that because of the Baath's tight control of the cities, the IDP mainly operates in the countryside. Because of the climate of terror in the country, the population is now more willing to cooperate with the mujahideen, says the *Economist*, although those who help the IDP guerrillas are dealt with ruthlessly. IDP sources in London told *Arabia* that a whole village between Kirkouk and Sulaimaniyah was bombed by the Iraqi army last Spring in retaliation against peasants who sheltered Iraqi mujahideen.

As the economic situation has deteriorated, development programmes have suffered and the Iraqi authorities have asked western companies to re-schedule payments of debts falling due. Meanwhile, most of the estimated 250,000 Egyptians and an unknown number of Moroccans, working mainly in agriculture and light industrial units, are reported to be leaving Iraq because they are no longer allowed to send parts of their earnings back home, as guaranteed in their work contracts.

In spite of the general deterioration in Iraq the Baath is still in firm control. Although a massive uprising is unlikely in the present circumstances, the mujahideen are understood to be planning more operations in the coming months, while dissension within the Baath can only grow.

CSO: 4400/4

IRAQ

PAPER ASSAILS IRANIAN 'ACTS OF PIRACY'

JN311147 Baghdad Voice of the Masses in Arabic 0804 GMT 11 Sep 85

[Text] In an article in its "Spotlight" column entitled "The Pirates," AL-THAWRAH today writes: It appears that the Iranian regime wants to return the pirates of ancient history to a region that is extremely sensitive to its countries and the world at large, by seizing from time to time a merchant ship belonging to or working for one or other Gulf country, as was the case in the past few days when two Kuwaiti cargo ships and one Italian ship were seized while sailing in international waters. Moreover, the Tehran rulers have not yet released the Kuwaiti ship Al-Muharraq despite Kuwaiti and world protests against their act of piracy.

If we refer to the international law concerning seas, gulfs, and other such things, we find that Iran has committed a blatant aggression outside Iranian territorial waters, in an international waterway, and thus practically opposed the principle of international trade under completely illogical pretexts. Therefore, Iran deserves collective sanctions to compel it to abandon these crimes, after protests have failed to dissuade them. What is really strange is that Iran's actions have not been given the international community's required attention. So Iranian maritime acts of piracy against Kuwaiti and other ships continued within the hearing and sight of everybody.

True, Iran has not for a single day shown any respect for international laws and norms. Proof of that is its insistence on war with Iraq up to this moment and its continuing to reject peace despite world demands. But it is also more true that international law contains provisions that make it incumbent on others to punish any member that threatens regional and international peace or impedes international life and torpedoes the bases of natural relations among states. The application of such provisions is required now more than anything else in order to halt the war between Iraq and Iran, to prevent Iran from continuing the war as it likes, and threatening to expand it as is obvious from the Iranian acts of piracy in the Arab Gulf against the merchant ships. This is also linked with the Iranian threats to prevent all trade in international waters and to practice actual terror inside Kuwait and other Gulf states, or to threaten to transfer the war to Kuwait itself because of its national and pan-Arab attitude, which does not agree with Iranian policy.

Whatever the case may be, Iranian maritime acts of piracy cannot be isolated in any way from Iran's loss of Khark Island due to the destructive Iraqi air

strikes of this economic lifeline feeding the engine of continued Iranian aggression against Iraq. However, this is not the only reason behind Iran's maritime policy. The fundamental reason is Iran's complete loss of the war in front of Iraq, its expansionist policy, and its attempts to compensate its losses at the expense of the sovereignty and independence of all Gulf states.

CSO: 4400/5

IRAQ

BAGHDAD RADIO DEFENDS KHARK ISLAND ATTACKS

GF141124 Baghdad Television Service in Persian 0830 GMT 14 Sep 85

[Unattributed commentary by announcer]

[Summary] Dear Listeners: As you know, the Khomeyni regime, since the beginning of the war, has considered Khark Island "an invincible bastion. [passage indistinct] The foolish mullahs have rallied all their resources for the protection of this small island and all their miscellaneous defense facilities and forces have been concentrated on Khark." But "Iraq was able to attack this island from the air several times in a short period of time. It was able to inflict heavy losses without facing any resistance and the pilots returned safe and victorious to their bases."

The fact that "the Iraqi aircraft were able to turn Khark Island into their hippodrome, morning and evening--despite the vast safety umbrella over Khark Island, which the rest of Iran does not have--is a point" to ponder over. "What is happening in Khark Island should be a valuable lesson to the retrogressive and orthodox mullahs so that their wisdom, however scanty, may warn them to refrain from corruption, destruction, obduracy, and aggression. [words indistinct] Is it not more beneficial for Iran and Iranians that the ruling executors should listen to the voices of awakened consciences and hear the logic of human beings and respond to the call for peace as advocated by the pacifist religion of Islam?" [passage indistinct] "Do they not know that if one adversary insists on continuing the war," he is guilty of "flouting the injunctions of the Koran and the norms of the clear and lucid religion of Islam and is liable to punitive action at the hands of other Muslims?" [words indistinct]

By attacking Khark Island, Iraq is not (?weakened), "as it is blessed with superior military strength. [passage indistinct] Iraq's military preponderance [words indistinct] is acknowledged by the people of the world." Iraq did not hit Khark Island until an act of aggression was committed against Iraqi soil, because from the beginning of the war, "Iraq has made clear that it has no designs against another's territory." Iraq views Khark Island as "the jugular vein of the Khomeyni regime [words indistinct] which if cut will shorten the despotic mullah regime by plunging it into economic disaster and insolvency; the war of attrition will thus come closer to its end." Hence, the hitting of Khark Island will not be very auspicious for Iran and the Iranians. "Iraq will continue to attack Khark Island [words indistinct] to bring the war to an early end." Iraq will remain as strong and powerful as before, as it was before hitting the strategic areas of the regime of murderers and tyrants; by doing so Iraq will hasten "the salvation of the people of Iran from the hands of their criminals."

IRAQ

ECONOMIC TALKS WITH FRG VIEWED

DW161648 Duesseldorf HANDELSBLATT in German 16 Sep 85 p 8

[Article signed BCE: "Baghdad Moans Under Heavy Debt Burden"]

[Text] Baghdad--The German-Iraqi economic commission met in Baghdad over the weekend for its third round of talks chaired by FRG Economics Minister Bangemann and Iraqi Industry Minister Subhi Yasin. The talks are aimed at promoting bilateral economic and technological cooperation.

Due to Iraq's growing financial problems a number of difficulties have recently developed between Baghdad and Bonn. These problems in particular will be discussed during the 2-day negotiations. The commission which was founded in 1981 was originally scheduled to meet in Baghdad by the end of May; however, because of the aggravation of combat actions in the war between Iran and Iraq Bangemann canceled the meeting.

Five years following the outbreak of the Gulf war economic relations between Bonn and Baghdad are still intensive. The Federal Republic is one of the largest Western exporters to Iraq. Exports, in particular machinery and construction material, amount to \$860 million every year, imports, in particular oil, to almost \$700 million. At present, some 150 German firms do business in Iraq in all economic areas, ranging from the construction sector and industrial plant to vehicles.

The major part of the commissions carried out by German firms is based on contracts concluded between 1981 and 1982. Since then, the war has plunged the Iraqi regime into payment difficulties. For the projects in Iraq which are guaranteed by the state via the German Hermes export insurance, an arrangement was found last year. The maturity of the major part of payments from the years 1983-1985, amounting to a total of DM2 billion, was prolonged by 2 years. The first installment of liabilities totalling roughly DM280 million was paid by Baghdad last April. However, to the surprise of German government circles Iraq indicated that it planned to postpone the second installment which is due in October 1987.

The difficulties became clear when Baghdad in the spring asked Japan and Yugoslavia for another extension of the term of payment. This year Iraq would have to repay a total of \$2 billion to its main creditors--France, Japan, and the Federal Republic--while its balance of payments deficit will

reach a record \$3.8 billion. However, 1986 will be an even more critical year for German-Iraqi economic relations, because then the initial installments from 1984 will become due in addition to the installments from 1983. Iraq so far has not requested that these debts be rescheduled.

According to diplomatic sources, Bonn is by no means willing to meet Baghdad's request, because a second rescheduling of an installment payment would be at variance with the usual practice and would undoubtedly have an effect on Bonn's policy of credit guarantees.

The talks in Baghdad will in particular also be focused on serious difficulties that German firms, especially in the construction sector, as well as engineering and planning bureaus are faced with, given Iraq's austerity policy. For overcoming its immediate financial problems, Iraq early this year set up new bureaucratic hurdles for foreign enterprises. Now the firms must present their statements of accounts to the slow-working state auditing agency for approval. This gives Iraq the opportunity of considerable delaying payments. However, such conditions are not contained in the contracts with German firms.

CSO: 4400/5

ISRAEL

SHAMIR DENIES SALE OF ARMS TO IRAN

OW101059 Tokyo KYODO in English 1053 GMT 10 Sep 85

[Text] Tokyo, Sept. 10, KYODO--Following his meetings with Abe and Keidanren (Federation of Economic Organizations) officials Tuesday afternoon, Shamir told reporters at the Japan National Press Center that the talks were "fine and constructive."

Although he was unable to reach concrete agreements with the Japanese government and business leaders, the 70-year-old Shamir said he was confident of stronger economic ties in the future.

"I don't see now any obstacles to developing stronger economic relations between our countries," he said, adding the rest depended on the initiatives of Israeli and Japanese businessmen.

According to Shamir, his Japan visit, the first official one by an Israeli foreign minister, also provided him with the opportunity to explain "our views and our assessment of the situation in the Middle East" to Japanese government leaders.

Concerning peace in the region, the foreign minister reaffirmed that Israel is ready to negotiate with all Arab state members, including Palestinian Arabs, in direct talks without preconditions.

However, he said, Israel will not negotiate with PLO members who, according to Shamir, are "terrorists" against peace with Israel.

Shamir, who is winding up a five-day visit to Tokyo Tuesday, discounted reports that Israel and China are planning to establish diplomatic relations.

He also rejected reports of Israeli arms sales to China and Iran, pointing out that it was the policy of his nation not to form military ties with countries not connected to the security of Israel.

CSO: 4400/264

ISRAEL

POLL SHOWS CHANGING PUBLIC ATTITUDES ON FOREIGN POLICY

TA130819 Jerusalem THE JERUSALEM POST in English 13 Sep 85 p 7

[Report on Hanokh and Rafi Smith Opinion Poll]

[Text] The first year of the national unity government has produced some interesting changes in the attitudes of Israelis on important foreign policy issues.

The greatest change, perhaps, has been over the question of the war in Lebanon: For the first time, in the Smith Research Centre poll of August, the majority of Israeli Jews expressed satisfaction with the government's handling of the war in Lebanon.

"In general, are you satisfied or not satisfied by the government's handling of the war in Lebanon?"

<u>Poll</u>	<u>Satisfied</u>	(in percentages)	
		<u>Not satisfied</u>	<u>No opinion</u>
August 1985	52	44	4
February 1985	38	58	4
June 1984	25	68	7
December 1983	27	68	5
May 1983	29	66	5
October 1982	40	53	7

The data indicate that already in October of 1982 the Israeli public was not satisfied with the Lebanese situation and that dissatisfaction grew during 1983 and 1984. It is since the advent of the national unity government and the subsequent withdrawal from Lebanon that public satisfaction on the issue has risen.

And there are other lessons from the Lebanese war. To the statement: "In the final analysis, the Lebanese war was good for Israel," only 22 per cent agreed and 74 per cent disagreed--results that indicate a consensus on the subject. Also as a result, the concept of justified preventive war has received a blow. In the same poll, only 43 per cent reacted positively to the statement "preventive war, like the Lebanese campaign, is justified

according to the moral precepts of Israel," while 50 per cent reacted negatively, with the remaining 7 per cent giving no opinion.

In other areas of foreign policy, two possibly contradictory trends have developed: On the one hand, there is a hardening of attitudes towards Arabs in Judaea and Samaria and against the PLO, and a milder attitude towards negotiating with King Husayn and the Egyptians on the other.

In the August Smith poll, 45 per cent of the interviewees agreed that "if the PLO recognized Israel and stopped terrorist activities, we should negotiate with them." But 52 per cent did not agree with that statement.

Just over one year ago, in April 1984, again 45 per cent agreed, but only 44 per cent disagreed then, with the remainder undecided. Therefore, there has been a slight hardening on the negative side.

Hardening is also evident in the attitudes to settlement in Judaea and Samaria, as is seen in the following statement:

"Despite the economic situation, we should continue to extend settlement in Judaea and Samaria."

<u>Poll</u>	<u>Agree</u>	(in percentages)	
		<u>Disagree</u>	<u>No opinion</u>
August 1985	43	53	4
June 1984	36	46	18
April 1984	34	50	16

A majority still opposes settlement expansion on economic grounds, but the percentage supporting has grown.

Regarding the policy to be followed towards Arabs in Judaea and Samaria, in the August poll 53 per cent agreed with the statement: "The strong hand of Ari'el Sharon is needed in Judaea and Samaria," while 42 per cent opposed. To the identical statement in June 1984, only 41 per cent agreed and 46 per cent disagreed--indicating a solid shift in sentiment on this subject.

To a sharper statement, "You support anyone who acts to cause Arabs to leave Judaea and Samaria," 35 per cent gave positive answers in the August poll as against 22 per cent to a similar question in 1983. This explains, in part, the grass-roots rise in support for Meir Kahane.

These examples will suffice to show a picture of a hardening line against Arabs which has occurred in part, at least, due to increased terrorist attacks on Jews in recent weeks.

Despite this, to the question, "Do you support the stand of Prime Minister Shim'on Peres, who is ready to negotiate directly with a Jordanian-Palestinian delegation, on the condition that it does not include known PLO supporters," 59 per cent gave their approval and 37 per cent rejected the

idea--almost identical results to the February 1985 survey. There is approval, but stress should be placed on the qualifying condition, excluding PLO supporters.

On the question of Tabah, 28 per cent said they would agree to international arbitration on Tabah, and another 22 per cent that there should be direct Israeli-Egyptian negotiations on the subject--making 50 per cent in favour of these active courses.

On the other hand, 19 per cent favoured delaying negotiations with Egypt until that country fulfilled more conditions of the agreement with Israel, and another 18 per cent felt that Tabah was Israeli territory and there was nothing to negotiate about.

Among the remainder, only 2 per cent felt that Tabah was clearly Egyptian and should be returned, while 11 per cent expressed no opinion. Thus, though this could not be called a national consensus, a small majority favoured some kind of active negotiations with Egypt on Tabah.

As Israel enters a New Year and the second year of the national unity government, we see that complex currents are working in the area of foreign policy in the public mind. To summarize, though the public feels the war in Lebanon was not good for the country, there is increased satisfaction because of recent developments on the Lebanese front.

But in the wake of the war and in light of terrorist activities, anti-Arab feelings among part of the Jewish community have sharply increased.

Yet, at the same time, there are majorities favouring negotiating positions along certain lines with Egypt and Jordan. Those guiding Israel's ship of state in the next year will be guiding it through troubled waters infested with many complex cross-currents.

CSO: 4400/264

ISRAEL

POLL SHOWS LOSS OF SUPPORT FOR GOVERNMENT PERFORMANCE

TA060726 Jerusalem THE JERUSALEM POST in English 6 Sep 85 p 19

[Excerpt] The public's opinion of the government's performance showed a sharp overall decline in the August poll conducted by the Smith Research Centre for THE JERUSALEM POST. Only 35 per cent of those interviewed thought that generally the government was succeeding, as compared with 41 per cent in February.

Yet Prime Minister Peres and Defence Minister Rabin continue to enjoy high ratings.

The results of the 15-22 survey are: "In your opinion is the government succeeding or not succeeding in the following activities":

	Per cent answering "succeeding or succeeding on the whole"	
	Aug 1985	Feb 1985
Economic area	31	28
Social area	31	34
Defence	56	47
Foreign policy	48	56
General opinion of the government	35	41

In the economic area, 31 per cent thought the government was succeeding or succeeding on the whole, a slightly higher percentage than in February. But there was a comparable drop in the social area, presumably a realization that social programmes are being curtailed.

Thanks to the successful withdrawal from Lebanon and the relative calm on the borders, the government's rating on defence went up sharply to 56 per cent. The comparative decline in the foreign policy area may be explained by the lack of progress on the Jordanian option and Tabah on the part of Labour supporters on the one hand, and the increased violence in Judaea and Samaria on the other, with no clear political solution to these problems.

However, the most decisive finding is the sharp overall decline in the general evaluation of the government's performance. In the August poll, only 35 per

cent of the interviewees thought that generally the government was succeeding, a decline of 6 per cent from the February poll. In a sense, this is a surprising finding, since the national unity government is supported by an overwhelming majority of MKS (Knesset members]. But it is an inescapable fact that the public does not see its government as performing effectively.

CSO: 4400/253

ISRAEL

ZE'EV SCHIFF SERIES ON IDF'S IMAGE AND VALUES

Tel Aviv HA'ARETZ in Hebrew 2, 4, 5, 7, 8 Aug 85

[English version provided by Israel Government Press Office]

[2 Aug 85 p 11]

[Text] The IDF of summer 1985---rescued from the Lebanese morass at a heavy price in lives---is an army that is undergoing change. It is an army which has weathered a crisis but not yet returned to itself; an army in transition, searching for its way, seeking to adapt itself to the battlefield of the future while knowing that it's highly doubtful that the country, in the throes of an economic crisis, will be able to provide it with adequate resources.

The top brass are agreed that the IDF has been through a crisis. Some term it "a considerable crisis"; others speak of "a certain amount of shock." But everyone agrees that this was a difficult experience. Not all the wars the IDF has fought have been smooth going; in the Yom Kippur War, too, the IDF experienced the trauma of being caught by surprise. The difference, as one general put it, is that in the Yom Kippur War we had a deep-seated sense, despite all, that we were, as an army, very good. The IDF quickly managed to turn the tables on the battlefield. But in the Lebanon war, says he, the situation was reversed: in 1982 the IDF had nearly every possible military means at its disposal; nothing was lacking. Israel had complete superiority of forces on the battlefield; yet the IDF nonetheless emerged with not too many successes, except in air combat and against the (missile) batteries--not to mention the many questions surrounding attainment of objectives.

Many officers contend that the Israeli people has lost some of its positive attitude towards the IDF. Things aren't what they used to be. According to them, many in the public no longer view service in the IDF as a mission. There is even a sense of bitterness when speaking of the attitude of top government officialdom towards salaries in the professional army. The possibility that in the IDF, every soldier in the standing army may be dismissed or have his contract halted contributes to this feeling. "It's inconceivable that some minor official in the Finance Ministry should arbitrarily determine that we don't have professional study funds coming to us, or any other bonus which all government officials, including him, receive," says an IDF general. All this inevitably has its effect on professional army morale.

In other words, the IDF's self-image has been damaged. This is one of the most conspicuous things I found in the IDF of 1985. Many people in the IDF feel that the public's opinion of the army is not good, even unfavorable. These statements also have a basis in surveys conducted by the IDF behavioral sciences department, headed by psychologist Col. Eli Fishof. From talking with him and with two of the department's senior staff psychologists, Lt. Cols. Zvi Ginossar and Amos Spector, it emerges that the undermining of the IDF's self-image has been an ongoing process. The turning-point apparently came following the Yom Kippur War, but the Lebanese war accelerated the growth of this negative image.

In 1983, only 16 percent of the professional army felt that the IDF's prestige with the public was high or very high. In 1984, only 12 percent of them felt the Israeli public gave the army high prestige marks. Thus, the vast majority of the professional army--mainly the NCO's--feel that the public views them negatively.

It is crucial to emphasize that this view among the professional army does not necessarily reflect reality. Other surveys conducted by the IDF spokesman show 70-80 percent of the public giving favorable answers when asked about the IDF--although the general trend regarding serving in the IDF has not been positive for several years now. "Hey, sucker, what are you doing in the army?" many ask their friends who've chosen to join the standing army. The more educated the group is, the more critical it is of the IDF. This would appear to be part of the complaining mentality which has become the fashion among certain parts of the society. To criticize and "bitch" about the IDF is part of the Friday night party scene. Reservists criticize the IDF a lot, but in their case it turns out (from checking various questionnaires filled out by reservists) that in many instances, the answers in writing differ from what they say about the IDF in conversations with friends.

In this case, the determining factor isn't the objective truth, but rather how that truth appears to people in the army. And the image is very negative. Everyone agrees that this is potentially destructive, and dangerous for the future. Service in the professional army is necessarily also based on the prestige of the army professional. If this prestige declines in the view of those serving, then it is liable to affect enlistment and the desire to remain in the IDF. Such a decline could, over the years, water down the quality of the army. This is a danger which we must not treat lightly. Such a process isn't felt immediately, but by the time people become aware of it, the break will already be large and irrevocable.

The army's prestige has been eroded by the war in Lebanon, but it would appear that we are witnessing a more deeply-rooted social process, signs of which had appeared earlier. Many army men are aware that the IDF is no longer considered the leader in every sphere of endeavor. The myth that the IDF succeeds in everything it does has also lost force over time. In the past, it could be argued that in many technological spheres--such as operating computers and developing that in many technological spheres--such as operating computers and developing advanced weaponry--the IDF served as an example and led the field. Today, many civilian bodies are competing successfully with it in the technological sphere, in administrative methods, and even in matters related to strategic thinking.

The question is whether this process may not ultimately lead to an organizational, social and qualitative decline of the IDF, which will turn it into a mediocre army. Some think that the first signs of this decline are already visible. Others contend that despite the backsliding in several spheres, the IDF is still at a point where it can get better and even take a leap forward. But for this, one of course needs a comprehensive "recovery" plan which goes beyond mere public relations gimmicks to strive to upgrade quality in the IDF. The problem is that sometimes there exists a contradiction between too big an army--particularly in a small nation--and a top-quality, prestige army.

The "flight" of a high-quality group--kibbutzniks--from service in the standing army and from officership in general, is a phenomenon related to what we've been saying. About 10 years ago some 40 percent of kibbutz members achieved officer rank in the IDF. Today this has dropped to 18 percent, and it stands out all the more given the top-flight characteristics of the new recruits from the kibbutzim. (Nevertheless, this figure is still proportionally higher than the contribution of other population groups.) The proof that this isn't a matter of evasion is seen in the fact that over 80 percent of the kibbutzniks go as far as they can in combat service. They volunteer readily for combat and reconnaissance units. Hardly any new recruits from the kibbutzim say they don't want to serve in a combat unit. But they don't want to attach themselves to the IDF as a life framework beyond that.

This phenomenon, which was discovered by IDF psychologists as early as 1980, apparently began to make its mark even before the political turnabout in Israel in 1977. It was found, at the earliest stage of basic training, that the kibbutzniks didn't want promotion to officer rank or to extend their army service beyond that of persons from moshavim, big cities or development towns. A similar situation emerged in comparison with high-school graduates, and particularly those who underwent tests geared for potential officers.

It's very possible that the phenomenon has to do with the obligation of those who enter officers courses to extend their military service by one year, combined with the tradition in many kibbutzim whereby many who complete army service are given a year's vacation which includes a trip abroad. Yet, according to other experts, the phenomenon reflects a deeper process, and one which isn't characteristic of the kibbutz movement alone. Experts say we may be witnessing a sociological phenomenon relating to the army's role as a channel for social mobility in various population groups. Whereas for members of the 'oriental' communities, persons from development towns and those from the middle and lower strata the army is a chance to better their lot, for more established groups the army isn't as attractive as it once was. This development, which occurred also in the U.S. Army and in other Western societies, has not evidently arrived in Israel, and it's possible that the kibbutzniks are its herald.

[4 Aug 85 p 7]

[Text] Some IDF officers argue that it would be better to disregard everything that happened in Lebanon, to forget, go on, and not deal with the issue in any way. Others contend that this must not be done in view of the need to derive military lessons so as to correct mistakes, as well as because of the ethical

and value-related aspects of this war. The latter argue that for many soldiers and junior officers, the Lebanon war, with all its problems and distortions, is the only model of war they know. Chief of staff Moshe Levy decided in favor of the latter approach.

In a meeting of division commanders following the withdrawal from Lebanon, he ordered that the sensitive issues which arose in the IDF during the war in Lebanon not be evaded. And so, the military education system is currently taken up mainly with the issue of "the IDF after Lebanon." The man in charge of the educational theory department, Col Benny Hagar, and the commander of the leadership school, Lt. Col. Yigal Urbach, explain that dealing with this complex topic cannot be accomplished by outside lecturers, but rather by the commanders themselves, after the latter have clarified the issues to their own satisfaction.

The commanders and education officers think that the IDF underwent shocks to its values in the Lebanon war. Fundamental questions arose on such issues as ethical use of arms, individual morality, and treatment of the civilian population. The aim is to refurbish and restore old norms in the army's moral code, which the IDF has always taken pains to observe. At the same time, it was decided to deal unflinchingly with combat norms such as perseverance in one's mission, storming, being taken captive, the commander's responsibility, and the familiar "follow me." Cracks have appeared in these norms too following the war, and they cannot be ignored.

Dealing with these issues in today's Israel isn't easy; in many senses, it is tilting at windmills. There were mistakes in the Lebanese war and the army got into difficult contradictions, but the problems didn't start in Lebanon in 1982. Just as the undermining of the IDF's self-image (see other Schiff article, issued in GPO translation on 4 August 1985--ED.) didn't occur because of the last war but was merely spurred on by it, so with the undermining of various norms and values: the sapping of these values had been felt earlier--for example, in soldiers' confrontations with civilian population during various actions in Judea, Samaria, and the Gaza Strip. But these didn't cause any shocks over the years. The evacuation and destruction of Yamit were, by contrast, a sort of watershed: the IDF had to operate in the absence of a national consensus, and with some of the soldiers in solidarity with the settlers. The Lebanon war created a similar situation, if in reverse: many of the soldiers began opposing this war at some stage.

Lebanon is but another layer, if a heavy and central one, in the continuum of events which have gotten the IDF into ever larger contradictions. If in the past many ethical questions were clearer to soldier and commander alike, today the lack of direction and possibly even the loss of direction are apparent. This is especially acute in the military, because the army is used to discussing questions in a clear-cut manner. Lebanon showed that sectarian polarities and their accompanying friction had penetrated even to the IDF.

The difficulty begins with the fact that the youth are taking more radical positions on various issues. Everyone I talked to about the IDF's situation confirmed this. The youth, and subsequently the soldiers, are looking for extreme solutions whether on the left or right, though mostly on the right. Education officers say this radicalization isn't reflected in political opinions on the Arab-Israeli conflict; it is reflected, for example, in intolerance on any issue whatsoever. The fundamental approach is one of "trash it." This is already felt among the youthful draft candidates whom IDF officers meet within the high schools. These officers say that once the kids wouldn't have dared ask some of the questions they ask now. This isn't necessarily proof of openness, because the technique of the questioning is usually pugnacious. One feels the support for Kahane among many of the soldiers; it grows whenever there is a murder or a serious attack. The reaction is usually: deport, kill, an extreme anti-Arab position. That's the situation, and it's pretty grim.

Education officers say they're disturbed by the erosion in values among young people and soldiers, but they don't say there's no going back, that all is lost. In their view, a large part of the soldiers' extremist positions is just big talk, shooting from the hip. They think extremist positions are adopted out of ignorance on basic issues. On a group tour of Galilee, many soldiers in the group expressed the view that the Arabs should be expelled from Galilee. The officer in charge of the group suggested the soldiers check into the meaning and consequences of such an action. The soldiers quickly began changing their tune. It emerged, for example, that IDF soldiers have almost no knowledge of Israeli Arabs. The neglect in many areas is tremendous, and even when they do know something, they barely understand the meaning of it. This is a basic failure of education.

At the leadership school, they try to explain to commanders, junior grade and up, that there isn't necessarily a contradiction between three topics which form a sort of trinity: ethical use of arms, perseverance in mission, and protecting the troops' lives. It was precisely the experience in Lebanon which showed that a great deal depends on the officer directly in command, on the responsibility he displays, on the personal example he sets and on his ability to be in control. There are soldiers who try to resist this explanation, arguing that things are different when they're out in the field, that there's no connection between the beautiful slogans and reality. There are also commanders who contend that overemphasis on ethical combat values will ultimately harm military professionalism. The order to commanders and education officers is not to concede on this issue and to resist such views. The explanation offered IDF commanders, both orally and in writing, is that the rightness of our way is no less important than the justice of the war's objectives, and if we don't insist on this, then the motivation to serve in the IDF will be lost. Today they're explaining once again that "iron fist" isn't a license for busting loose, and that war isn't pillage.

The attitude to issues concerning democracy in Israel is a story in itself--an issue whose various aspects have been given prominence in the wake of the debate over the war in Lebanon. The subtopics are many, starting with the question of public debate in times of emergency, command in the IDF in times of lack of consensus, the attitude toward minorities, and ending with freedom of the press and the public's right to know in times of war and emergency.

In August, for example, the IDF educational system will lay stress on the topic of tolerance, with the motto being "How to live together." It's not an easy subject when the soldiers are aware of the intolerance in the public and the political parties, and when there are leaders who show intolerance for the very fact that the IDF deals with such subjects. It's my impression that the army system is dealing with these topics without flinching, although it doesn't permit itself to touch on every subject (for instance, it doesn't discuss Sabra and Shatilla, though it is willing to discuss a more sensitive topic such as the 1956 massacre in the Israeli Arab village of Kafr Kassem). [parenthesis as printed] The IDF discusses issues such as Kahanism and Jewish terrorism in clear-cut fashion: the order is to condemn Kahanism, stressing that it runs contrary to basic values of Zionism and the State of Israel. The same holds true for Jewish terrorism, which wins total condemnation in the IDF, by order.

[5 Aug 85 p 7]

[Text] There is an exaggerated tendency among many army personnel to attribute many of the IDF's ills to the war in Lebanon and our forces' stay in that sad land. Attempts are made to link a sudden upswing in the number of suicides to the Lebanon period, and the same holds true regarding training accidents and the decline in motivation. In these and other instances, people talk about "Lebanese behavior patterns." In most cases, we are speaking of excuses which don't stand up a real test. But what is the truth? Did Lebanon uncover a decline in the operational standard among Israeli soldiers? This is one of the main questions I faced in trying to sketch the portrait of the IDF today.

To answer this question, we must go back to the first stage of the war, as well as examine the operational conduct of IDF soldiers during the prolonged stay in Lebanon. On the one hand, we find high, very high standards of combat. The list of outstanding units is too long to mention. It is sufficient for us to recall the paratroop units, including their reserve units, the "nahal" paratroops, the Golani brigade, and several armored units. These displayed a high operational level in battle, in sudden encounters, and when they came upon ambushes. As a rule, one may say they can be counted on--naturally, on condition that the goals of the war be clear and not constitute a total deviation from the national consensus.

That's one side of the coin. The other side reveals that a worrisome deterioration in the norms of combat occurred during the war in Lebanon. Things happened, mainly during the prolonged and unnecessary stay in Lebanon, which were not usual in the IDF and whose aftereffects linger to this day. Those who were involved in these occurrences try to link them to the special character

of this war, but that may be merely an excuse. Among these instances, of which only a few will be mentioned here, the gravest and most worrisome concerns being taken captive. I refer to the episode in which an entire IDF unit was taken captive by a numerically inferior force. There's no other way to define the taking captive of a unit of eight nahal soldiers; it would be best not to fix it up with various excuses. True, it was a sort of 'penal unit', being made up of soldiers whom one of the commanders wished to punish. It's also true that the officers directly in command, up to the battalion commander, did not observe basic standing orders, and some of them were even in a hurry to go on leave without making sure to brief the soldiers properly. But we are talking about nahal soldiers, who are considered to be top quality soldiers, but who did not put up a fight for fear of getting hurt. Despite the possibility that they might be killed at a later point, they didn't even try to get away but rather went into captivity in an almost light-hearted fashion.

This episode will go down in IDF history as a shameful occurrence and as one of the symbols of the wretched war in Lebanon. It will stand as a dreadful disgrace in view of the acts of heroism which our soldiers have committed so as to keep from being taken captive. Even when they had no choice, they went into captivity with honor. In this respect, there is no comparison (between the nahal soldiers episode and) the case of Hezi Shai, one of the three soldiers recently exchanged; he was taken captive at Sultan Ya'Akub, in the midst of combat and after vainly trying to get away and return to IDF lines. The complaint isn't aimed at the parents who applied pressure to obtain their captive sons' release, but rather at the way the POW's acted after their return and their statements during the investigation, totally justifying having been taken captive--statements which enraged the top officers with whom they spoke.

Sometimes one gets the impression that someone tried to prevent their investigation. In my view, a terrible mistake was made in not finding a way to court-martial them, even if the statute of limitations had run out on their prosecution, and despite their having suffered enough in captivity. A court-martial was required in this instance as a symbolic, educational act. In any event, the IDF and its commanders must change direction on this question of having been taken captive. The norms must be re-established in clear-cut fashion. The present nahal commander, Brigadier General Yoram Gilsoa, did well to vigorously condemn this episode, despite his feeling that it was but a momentary weakness, an incidental indecisiveness, and not a sign of some more general truth.

The war in Lebanon uncovered another phenomenon unknown in the past: soldiers talked about their fear as something natural and normal. They were always afraid, but they never spoke of it so openly, so publicly, in front of the cameras and even the foreign media. I went to the nahal commander to ask him what he thought about this, precisely because there were incidents in two of his units. It should be said that nahal units remained in Lebanon until the very last stage of the withdrawal; and over against the aforementioned incidents, it should be noted that there wasn't a single instance in the nahal brigade of refusal to serve (in Lebanon), of failure to carry out an order, or of desertion during the stay there. But they, too, talked openly about fear. The

nahal commander told his soldiers that they needed to distinguish between fear and apprehension. Everyone's apprehensive, and there's a solution to that. But fear has a negative aspect if it leads to evasion of performing one's task.

One gets the impression that the confessional talk about fear was, for many soldiers, a sort of subconscious response to their desire to find a justification for not always following through on the task assigned them. Thus many of them apparently talked a great deal, in the Lebanon war more than in any other war, about how the duty to protect the lives of our soldiers transcended all else.

It should be recalled that perseverance in one's task has always been considered one of the fundamental principles underpinning the IDF. When the level of the IDF declined after the war of independence, it was expressed first in the undermining of this principle. The IDF senses this danger, and the proof is the broad information campaign now being conducted on this subject. The theme of the campaign is that perseverance in one's task is a supreme value, without which the mission to ensure the state's existence cannot be upheld. One of the pamphlets says: "A force which has been assigned a task will carry it out at all costs. There is no price which should make a force halt the execution of its mission, without having received an order to that effect. The lives of our soldiers are an extremely precious asset; it is precisely for this reason that giving consideration to the number of losses when planning a mission or considering its continuation in combat is the job of the commanding echelon, not that of the task force."

These are some of the unusual incidents. They're not many, but they do attest to the fact that certain cracks appeared in the IDF's combat norms during the war in Lebanon. The top brass usually have not let these instances simply pass--although they, too, were occasionally perplexed as to the aims of the war (as the episode of the incursion into Beirut, the "brigade that was mobilized," Eli Geva's case, and many others will attest). Combat officers, including the chief paratroop and infantry officer, are currently convinced beyond a doubt that the standard of the soldiers in the regular units is high and even superior compared to 1982 or earlier. What indirectly bolsters this view are the conclusions of surveys taken by the IDF's behavioral sciences department, which find that in terms of its readiness to fight, the IDF has come back to itself, to the good state which prevailed in the past.

[7 Aug 85 p 7]

[Text] One of the things that characterize the IDF today is the poor discipline in its ranks. While the IDF has known periods of deterioration in the past, it seems to me that the latter part of the war in Lebanon brought the situation to a new nadir. I'm not referring to the number of deserters, for example, which has grown; I am referring first of all to the Israeli army's exterior, its appearance in day-to-day life, inside and outside its camps, on the roads and in the cities, on and off duty. The IDF today looks like a messy army. You can pretty well forget about soldiers wearing their caps, despite the monitoring squads, the disciplinary trials, and the fines. The form of dress of the

soldiers, regulars and reservists alike, is that of a ragamuffin army. The unsoldierly look is sometimes even seen in honor guards at funerals. Some of the soldiers wear t-shirts under their shirts, others don't. Everyone wears his beret in his own personal style. An army of partisans that's just, seemingly, come out of the war of independence.

I would suggest that the defense minister check, for example, how many IDF units and camps hold morning parade nowadays. In the army of clerks at command posts, certainly not. In the training bases, maybe, in some of them. In other camps, it's highly doubtful. Soldiers leave their camps on leave without the famous "pass," not to mention departure in dress uniform. People do whatever they like. Career officers who complain about the negative attitude of the civilian public towards the IDF should be aware that appearance and discipline also have an effect in this connection, civilians want to be proud of their army, and the soldiers' appearance is a far from negligible component.

The well-worn contention that what's important is not the army's appearance but whether it fights well, is well known. Over and over we hear the old excuses of failed officers that a distinction has to be made between operational discipline and administrative discipline. But this is an artificial distinction, and anyone who wants to know its price would do well to have a look at the number of losses sustained in the war by the IDF because of disciplinary problems, and the number of casualties in road and weapons accidents in training. The fact that last year the number of training accidents and casualties was actually lowered only proves that it's sufficient for one general in one sector to hammer home to his subordinates that the cost in blood can be lowered by proper discipline. Since the beginning of the Lebanon war 1,162 soldiers have perished in the IDF, including those who fell in the war itself. Hence, hundreds of people have been killed in various accidents, attesting to an erosion in the value of human life and in discipline in IDF ranks. Ever since the approach of the date of the withdrawal from Lebanon, we've heard again and again that soon, now, the IDF will launch disciplinary campaigns. You'd never know it to look at the IDF. The IDF should long since have been sent back to its barracks, in every sense of the term. That's a lot more important than the wearisome nosiness about the next set of personnel changes in the high command, and who will replace who.

To restore the IDF to its former state, or, as some put it, "to take Lebanon out of the IDF," is a process that must encompass several spheres. In previous articles we've dealt with the impact the lengthy stay in Lebanon had on the individual soldier. The unnecessary stay in the Lebanese mire also had an effect on the IDF as a military organization, as a fighting machine. I'd say that the worst thing is that in three years in Lebanon the IDF ceased being an offensive army. Even though it was situated in enemy territory and faced repeated attacks, the IDF became increasingly an army of response. The offensive initiative that was always one of the IDF's hallmarks since the 1950's faded away. Finally, the IDF became a mainly defensive army. Every so often it would erupt in a burst of fury ("get-tough," "iron fist") and then move back to the defensive.

This is one of the most damaging effects of the Lebanese adventure on the IDF. If this tendency doesn't undergo a fundamental change, it's liable to have a highly deleterious effect on the IDF's deterrent capacity. Senior officers in the IDF hierarchy are aware of this. One way to shift direction is by reacting more vigorously to any harassment of Israel in the future. Not to accumulate a series of accounts to settle with the enemy but to plan painful and impressive attacks on those who strike at Israel or Jewish targets.

Another area that's been adversely affected in recent years is that of training and the preparation of the army. Despite all the IDF's efforts not to neglect training and preparations for war, there's been a regression in this sphere. Financial constraints will now hamper the return of the situation that existed formerly in the reserve formations which are the main part of the army. In recent years most of the reserve callups of the IDF's elite units have been devoted to ongoing security and operational duty, not to training. An example is a reserve paratroops brigade, not necessarily in northern command. In fiscal 1983/84 that brigade was called up to do no fewer than 70 days of reserve duty. Yet of them 60 went for ongoing operational duty in Lebanon and only ten for training.

The three years in Lebanon had a cumulative effect on training courses in the IDF. A good many of them were, unfortunately, shortened, often to relieve the burden of reserve units as much as possible and cut down their time in Lebanon. The time "saved" was devoted to ongoing operational duty in Lebanon. The IDF's training branch estimates that in the past three years the IDF was forced to trim 7-8 percent of the training time of soldiers in the various courses. In other words, the graduates of those courses returned to their units knowing less.

Now they're trying to make up for lost time. When it comes to training, some time will undoubtedly elapse before the lack can be made up. In contrast, the IDF returned to a regular training format at the beginning of 1985, all the way up to the highest levels, including general staff maneuvers. In general, it can be said that the situation of the infantry brigades (and I prefer to speak of the brigade level rather than higher formations) in the regular army is good or better. They're followed by the armored brigades which are trying to take advantage of the little (in terms of tank hours and ammunitions) placed at their disposal in the current training year. A different and less good situation exists in the reserve brigades. Most of the experts foresee a cumulative erosion here in the coming years, unless a shift occurs in resource allocation--a shift that's not visible on the horizon.

It can't be maintained that everything operational in Lebanon left only a negative mark on the IDF. The preoccupation with ongoing security, the guerrilla warfare in foliage-covered hilly areas and in built-up areas, added a certain operational experience. The soldiers who served in Lebanon accumulated a good deal of experience in operational behavior, in handling weapons. This is important experience, though its value should not be exaggerated. It's said that deputy chief of staff Dan Shomron compared it to a basketball player who trained only in running.

The O/C Northern Command, Maj. Gen. Ori Orr, has on various occasions sounded far more optimistic regarding the IDF's post-Lebanon situation. He doesn't disregard the negative effects of the three Lebanon years, but he believes the IDF left Lebanon a more steeled army, despite all the problems. Orr is right from the point of view that the IDF, as a popular army, demonstrated even in Lebanon that it obeys the government unhesitatingly, even though it took a dim view of the missions it was given from several points of view. With the exception of the group of refuseniks, who numbered no more than 200 (the AWOLs and the deserters came mainly from the administrative and service echelons and not from the combat personnel) the army was ready to execute all the orders, and at most no demonstrate afterward. In one case (the 'brigade that wasn't mobilized') officers and soldiers demonstrated in Jerusalem but wouldn't allow their colleagues who didn't do reserve service with them in Lebanon join the demonstration.

Whether Lebanon will leave its mark on the IDF after 1985 as well, only the future will tell. This is also the view of the IDF's psychologists. In the regular army morale has improved. There is no shortage of volunteers for the elite units and for pilots courses. Nor is there a shortage of people going to officers courses, although in high-quality groups there has been an increase of persons who refuse to be officers. Today high-quality persons are sometimes capable of behaving like low-quality groups (jumping off a bus, for example, at the absorption and classification base) when it comes to army service. On the face of it, two contradictory things happened here. On the one hand there was an impressive rise in the data of Israeli youth (today 58 percent of draftees are considered potential officer material), but many of them lack suitable behavior patterns or motivation. To facilitate their diagnosis, changes have been introduced in the means of classifying the quality groups which were originally determined over 20 years ago.

It is still not known how the past 3 years have affected the big reservist army. In this period evasion of service in Lebanon became an accepted norm. Many evaded service, for example, by going abroad. There are indications in units of increased emigration. Also on the increase is the phenomenon of young people, including young officers, going abroad for trips of a year or more. It is still unclear whether readiness to do reserve service will return to its former state. That, we'll see in the future, and the IDF experts are on the alert.

[8 Aug 85 p 7]

[Text] The IDF senior command came out of the Lebanon war with a heavy feeling, and at best with mixed feelings. That feeling, and the questions it entails, will surely be with the IDF for a long time to come. The senior command knows that the victory in Lebanon was not a real victory when translated into strategic terms. As usually happens in such cases, bitterness is vented outwards, towards the political echelon. On it is pinned the blame for the entanglement, for the lack of success: whether because the IDF was assigned an impossible task from the outset, or because no one bothered to define the goals of the war properly and clearly, and because the army was left, unnecessarily, in the Lebanese quagmire for 3 years.

The upshot is that the IDF senior command today harbors a considerable amount of doubt and cynicism with respect to relations between the army and the political echelon. No one questions the army's subordination to the civilian echelon, but it's constantly stressed that in the future the army won't agree to every military move as it did in 1982. "We will investigate and ask and request the most minute details: that's our duty as commanders of the army," several ranking IDF officers explained to me. "We're responsible to the political echelon, but we have a national responsibility. We won't want to be parties to military steps that the Israel government isn't bent on. We will seek clear and complete solutions from a military and strategic standpoint. If we're told, for example, to conquer Cyprus, we will explain why we're against it, and if our opinion is not accepted, we'll draw personal conclusions."

The senior command began to harbor such feelings already in the early stages of the war, after the Sabra and Shatilla affair. The time that has gone by and the withdrawal from Lebanon haven't removed the bitter feeling or the questions. In their hearts of hearts, some of the IDF high command know that in the Lebanese war it wasn't always possible to make a clear distinction between the political echelon (i.e., Defense Minister Sharon) and the IDF. Several heads of the IDF at the time were passive parties to the adventure. They didn't initiate anything, but they understood very well that what was going on and how the political echelon was "being led by the nose." It was a kind of complicity in the offense, and this is why today the senior command finds it difficult to extract all the political-strategic conclusions from the war in Lebanon.

Thus, until today key battles in the war haven't been analyzed, like the battle for Beirut or the creeping battle towards the Beirut-Damascus highway. This situation necessarily curbs debate and self-criticism in the IDF regarding sensitive matters. Past experience has shown that when a certain generation of the senior command is swept up in the dynamics of evading self-criticism, this applies to the generation that follows with even greater emphasis and contentiousness.

What is the profile of the IDF command in 1985? The question cannot be answered without a certain degree of generalization. We will deal with the military command in groups, beginning with the junior level to get some sense of comparison. The junior level command in the IDF, up to company commander level, is considered excellent. Not many would disagree with that assessment. We are talking about the finest of Israeli youth. Their professional level is high. If it were possible to push this level upwards, to the middle ranks, the quality of the IDF would jump several levels. The trouble is that most of these officers don't want to join the standing army for lengthy periods. Even those who don't hold the standard view that an army career does not have the status it once did, reach their decision to leave the IDF when they are absolutely bone-weary from exhausting work. This is a cumulative negative process, which will eventually take its toll on the IDF.

The problem begins at the middle level command, at the echelon of battalion and brigade commanders. Since not only the good ones stay on, not all the battalion commanders in the IDF are good. This problem began several years ago, but it grew as the IDF grew and expanded. It is felt more at the level of lieutenant colonels as well as at the level of colonels.

What hinders development of quality at these levels is the short amount of time that many officers serve in their posts. They command a battalion or brigade for a year and then go on to another post. The pressure for turnover in position is tremendous, hence rotation is rapid. The accumulated experience in these posts is small compared to other armies. Overall, one can say that the commanders of the regular brigades in the IDF, especially in the infantry and paratroop corps, are at a level of good and above. The level drops in reserve brigades.

Taking into account the very large number of colonels, there is, on the face of it, a good chance to assure the advancement of those few who earn the right of promotion to brigadier general. But this isn't always the case, especially with respect to staff or service positions. The best of the brigadier general level today are the commanders of the regular divisions, air force squadrons, and navy bases. There is another elite group in the technical professions, but they're not versatile in the missions and tasks they can take on themselves. The level starts to drop in the remaining group, numbering several dozen brigadiers.

The most outstanding arm in the senior command is the air force. The selection process in the air force command is better, promotion is made with better planning than in the ground forces, and as a result far better officers reach the top. Proof of this is that the commander of the air force is always chosen from among several outstanding candidates. The choice is very difficult and painful, but is encouraging from the standpoint of maintaining quality.

This isn't always the case in the ground forces. Here, the difficulty in appointments doesn't always stem from a surplus of good candidates, but from a shortage of them.

For about 10 years the IDF has been increasing the number of division commanders at its disposal. Some of them have accumulated experience in command in quiet periods, a few in battle. All of them had almost no time for military studies, for thought and for group discussion of matters regarding national security. Those familiar with this level say that only a few of them are not at a satisfactory level.

The problem is not the personal level. In terms of formal education, IDF officers have progressed today compared with those of a decade ago and before. (Today, 62.6 percent of the officers from the level of colonel and above have an academic education.) It appears to me that the problem is more in the quality of the headquarters themselves and their manner of organization.

A few words about the level of major generals in the IDF in 1985. I don't accept the claim that in the past the major generals were better and more successful. Similar criticism was leveled at the major generals' echelon of a decade ago and on the general staff of the Yom Kippur War. The average level of the major generals' echelon in the IDF during the six day war wasn't better.

There were successful, less successful and bad major generals in every period. The problem is that the army has grown, its systems have become more complicated and the military and strategic threats have become more serious.

To deal with these problems, we need people who are better from an intellectual and educational standpoint at the top of the IDF command, people with knowledge in more areas and not just officers and technocrats who have decision making ability and a high moral level. From this point of view, there has been an ongoing erosion in the military command, an erosion that has been going on for quite a few years. It has been a long time since commanders and reformers in the strategic and military sphere have sprung up in the IDF.

This, in my opinion, is the explanation for the fact that since the Yom Kippur War the IDF has not been able to find an acceptable solution to its problems of organization and control over an army which has doubled its strength, and this is apparently the reason why our ground forces have been in a gradual decline for years. The current general staff isn't any worse than its predecessor, nor the one before that, but I don't think that it will be the general staff that will bring about the change and the plan for takeoff that the IDF has needed for years, even before the Lebanese war.

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ISRAEL

PROFILE OF AN ISRAELI ARAB JURIST

Tel Aviv YEDI'OT AHARONOT in Hebrew 9 Aug 85 Weekend Magazine pp 28-29

[Article by Moshe Ronen: "Hajj Yahia--The Structure of His Homeland"]

[Text] I was asking lawyers about Judge Yusuf Hajj Yahya, and the answer was repeatedly: "an Arab nobleman." Without consulting among themselves, many lawyers and judges used the same words to describe the tall man sitting in judges office No 812 at the Tel Aviv district court.

They were probably referring to the special personal charm that the man radiates from the judge's bench and in private talks in his office, to his quiet speech and restrained style, his elegance and solicitude, to his dry "English humour," and, according to some, the feeling that you have before you a cultured person.

One veteran lady lawyer, former senior government attorney, expressed herself less formally: "When I sit in his courtroom I see an Arab prince or a European nobleman before me. He is also a handsome man, reminds me of a movie star..."

They were talking of a "prince" without realizing that Yusuf Hajj Yahya indeed comes from a family that can be described as "noble." Hajj Yahya's clan in Taibe, a village in the triangle, can trace back its roots 500 years, since the time the clan's forefather, Yahya, came from Medina in Saudi Arabia and founded Taibe. A few years later he made the pilgrimage to Mecca and acquired the title of Hajj, which he bequeathed to his issue in the family name: Hajj Yahya. The clan currently counts several thousand people, most of them still in Taibe. The family also has branches in the United States and Jordan. The former Jordanian defense minister, 'Abd-al-Qadir Salah, who lives in Nablus, is a member of the family.

Hajj Yahya's personality presents more than a few contradictions: a proud Arab with nationalistic views, he sits under the Israeli flag and represents the state before the citizenry as one of its appointed judges; a practicing Muslim, who turns his face to Mecca in prayer five times a day, he passes judgment on Jews according to the Jewish Talmudic Law on matters of personal status, divorce, child custody, and alimony; the son of a rich family, owners of large property and much land, and a true capitalist, he was in the 1950's--

before being appointed judge--a declared socialist and a member of the central MAPAM apparatus.

This week, Yusuf Hajj Yahya celebrates his 52nd birthday. He was born in Taibe and was one of the star students of the village elementary school. When he was still a child, his uncle died, and his father--the wealthy landowner--adopted his cousins Walid Zadak (who became a Knesset member for SHELI) and Farid Zadak Hajj Yahya (now a professor in pharmacy in the United States). When Yusuf was admitted to the Tul Qarm high school and his cousin Farid was not, his father decided to "vacate another seat" in the class and sent Yusuf to an expensive private school in Nablus. The 1948 War of Independence caught the high school student in the boarding school. According to the ceasefire agreements, the triangle was annexed to Israel, and the boy was left alone and far from his family in the Kingdom of Jordan. Luckily for him, his father had had the time to leave him a considerable amount of money.

Upon his high school graduation, young Yusuf Hajj Yahya discovered that Jordan was plagued by great poverty, and that there were no jobs to be found. With the help of a cousin, who designed furniture for -Abdallah's palace, he succeeded in entering the al-Husayn University in Amman. He graduated as a certified teacher, and had worked for 4 months in this profession in Jordan when he heard that his name was on the list of refugees permitted to return to their villages in Israel within the framework of the family reunification program.

Hajj Yahya left his Jordanian passport at the Mandelbaum Gate in Jerusalem and became an Israeli citizen. After many years, in 1967, he discovered that he was still considered a citizen of the Hashemite Kingdom. The Samaria District official was prepared to issue him a valid Jordanian passport, but Hajj Yahya passed up the honor.

The young State of Israel recognized his Jordanian teaching certificate and Hajj Yahya was immediately employed as a teacher, but he remained on the job only 2 months. He chose to remain a student and entered the Hebrew Ulpan [intensive study center] in Netanya. The class of Shulamit Katzenelson, Shemu'el Tamir's sister, was attended mainly by new immigrants, and the curriculum included a great deal of Zionist studies. Yusuf Hajj Yahya learned there about "our historical right to the country." "At the time, no one thought about special studies for Israeli Arabs," says Shulamit Katzenelson.

Yusuf Hajj Yahya's father wanted him to become a doctor. In keeping with this father's wishes, he sent his own son to medical school. He himself went to the Hebrew University to study law. In the first few weeks he sat in the class in the Terra Santa building in Jerusalem, and did not understand a word. His Hebrew was poor. Consequently, he joined an Arabic class at the institute of Middle Eastern studies and tried to learn Hebrew from Arabic studies. His teacher, Professor Yosef Yo'el Rivlin, was impressed by the perfect Arabic knowledge of his tall student and, after hearing his story, suggested that he continue his studies and specialize in Islamic and Jewish studies.

Hajj Yahya the student adjusted very quickly to the Jewish society. He frequented the Nitzan coffee house in Jerusalem and was elected chairman of

the MAPAM student cell, and even reached the central party apparatus. When the IDF opened the Suez Campaign there was a stormy discussion among the MAPAM bodies. Hajj Yahya was among the leftists of the party, together with Ya'aqov Riftin and others, who requested the two MAPAM ministers to resign from the cabinet. The request was rejected. MAPAM stayed in the government and Yusuf Hajj Yahya left the party. He has not been involved in politics since then.

Two years later he was invited to return to MAPAM, and there was talk of a seat in the Knesset. He declined the offer. He was already thinking in terms of a career in law. He was accepted for training with the deputy attorney of the Tel Aviv District, Avraham Halima--currently a judge on the High Court of Justice--but left after a short time to clerk for a law firm in Netanya, where he later became a partner. After receiving his certificate to practice law--the first Arab lawyer in the Triangle--his success was dazzling: The entire Arab sector came to him. Two local councils and 17 bank branches in the Arab villages were among his clients. His office, on the fourth floor of the house on 30, Herzl St, in Netanya (the third floor housed the office of the justice of peace) was one of the most successful in the city. He dealt with all the aspects of law, from property and road accident cases to the defense of state security offenses in military courts. A few years later he opened another office in his village of Taibe.

During the same period he was once asked by a journalist whether he would prefer living in a Palestinian state, should such a state be established in the West Bank. His answer astonished his people. He said that he was in favor of the establishment of such a state, but that he himself would prefer to remain in Israel, and explained that Israel is a "state of law, more or less," while the Arab state that may be established would not, in his view, ensure freedom of expression or individual rights.

In 1973 it was rumored in the Triangle that Hajj Yahya was to be appointed judge. His father-in-law, Mahmud Nashaf was at the time a Knesset member for one of the Arab lists affiliated to MAPAI. Rumor had it that Minister of Justice Ya'aqov Shimshon Shapira wanted Hajj Yahya as a judge. Everyone was talking about the position of justice of the peace in Hadera, which was open at the time. The disappointment ran high in the Triangle when it was announced that attorney Blanche Kay had been appointed to fill the post. A few weeks later, on 1 August 1973 it was announced on the radio that Yusuf Hajj Yahya would not be a justice of peace, but a district judge in Jerusalem.

He distinguished himself as of his very first district court trial. The case in question dealt with the murder of a prostitute in Jerusalem. Yehezkel Amkeis, her procurer, was accused of burning her to death. The young woman lived for 3 weeks after being burned. At the hospital, tortured by unspeakable pain, she told several people that Yehezkel poured gasoline over her and put a match to her. To others she said that she burned herself accidentally.

The prosecution based its case on her statements in the hospital and treated those statements as court evidence. The prosecutor claimed that it was "evidence given in extremis," that is to say, by a person on the point of death, who therefore has no interest in lying.

Two senior judges, Judge Yehuda Cohen (who later became a High Court judge) and Professor Ya'akov Bazak decided to accept the evidence. The third judge, Yusuf Hajj Yahya, wrote in a minority verdict that the statement of the dying witness was not to be taken at face value if she was not aware that she was dying. He assumed that her family, who visited her in the hospital and who wanted her away from the accused, persuaded her to speak against him.

It is not customary for a new judge to pass a minority verdict against two senior judges with a reputation for excellence. It takes great courage to do so. Nevertheless, the appeal of the accused Yehezkel Amkeis proved him right: The three High Court judges, Yo'el Zussman, Moshe Landoi, and Yitzhaq Cohen (all three of whom served consecutively as presidents of the High Court of Justice) unanimously accepted the position of the young judge (although they could not yet spell his name correctly), and acquitted the accused. The verdict is still on the curriculum of the law school.

One year later, Hajj Yahya's name appeared again in the headlines: A Jewish taxi driver had been murdered in Jerusalem and his booby-trapped taxi parked in the city center. The accused were Arabs. The prosecution claimed that the background to the murder was of a nationalist nature. Hajj Yahya was appointed as one of three judges in the case.

The accused, the Malawi brothers, claimed that their detailed confessions had been extracted under torture. The judges had to decide whether the confessions were valid. At this stage of the case, Hajj Yahya announced that he disqualified himself.

His explanation for the move was unusual: He wrote that while serving as defense lawyer for people accused of security offences he had seen many of his clients after they had been cruelly beaten up during questioning. This fact, Judge Hajj Yahya wrote, prejudiced him against confessions by accused in cases involving security crimes.

His decision caused a wave of criticism. The president of the Jerusalem District Court, Judge Ben Zion Sharshawesky, wholeheartedly supported Judge Hajj Yahya's decision: "As a religious Jew, I would disqualify myself if I had to pass verdict on Jews accused of rioting about the public desecration of the Sabbath," he said.

Last week I visited Judge Hajj Yahya's village on the day the verdict was passed in the trial of the Jewish Underground; several of the village people reminded me of that old story in connection with Judge Professor Ya'akov Bazak and his position during the trial.

He had been on the bench at the trial of a famous accused, Knesset Member Charlie Bitton. Before being elected to the Knesset, Bitton broke into a Tenuva dairy in Jerusalem, stole a large quantity of products, and distributed them among families with many children in Jerusalem. Hajj Yahya condemned Bitton for the break-in, but gave him a light sentence because of his motivations: He sentenced him to only 4 months in prison. Bitton was elected to the Knesset before the sentence had been carried out, and according to the

immunity law, it will not be carried out as long as he is in the Knesset. But once he is out he will probably have to serve his term, unless he is pardoned.

Judge Hajj Yahya is said to be a clement judge. They said that his sentences are lighter than those passed by other judges, although statistics do not verify this. It may be true, or it may be only an optical illusion caused by his special, humane attitude toward the accused during their trial.

Journalists noticed this attitude during the trial of "Sargeant Pepper," Sargeant Doron Pepper, a navy command man who pretended to be the kidnapper of the child Oron Yarden, and made "prank" anonymous phone calls to the distressed mother and the police. Sargeant Doron Pepper was also accused of impersonating a navy officer, falsifying secret documents of the corps commanding officer's office, and of issuing transfer orders for his colleagues by faking the signature of the navy commander.

At the end of the trial, when Judge Hajj Yahya sentenced Sargeant Pepper to 2 years in prison and 2 years probation, the mother of the accused broke down in tears, and the audience sensed that the judge could not face her crying. He invited the mother to his office, calmed her down, and promised to visit her son in jail. During his visits to the Ramla jail, a special relationship developed between the prisoner and the judge. They continued to correspond and last year, when HA'OLAM HAZE wrote that Judge Hajj Yahya was considering stepping down from the bench, Doron Pepper sent him a sharp letter of protest.

Talking among themselves in the court cafeteria, defense lawyers comment on Judge Hajj Yahya's well-known weakness, namely his inability to resist a woman's tears. They say that they counsel the mother of the accused to sit in court and cry loudly during their plea. A few months ago, a senior lady prosecutor came to his office to discuss the matter with him. The judge admitted his weakness. "I am incapable of sentencing a woman to prison," he frankly admitted. "This is perhaps because of my religion, or perhaps that is how God made me. I do not think that a woman is made for such things. If she goes wrong and is sent to jail, the consequences are more serious for her. Sending a woman to prison is like parting the Red Sea for me."

Many defense lawyers mimeographed his verdict a year ago in the case of Penina Azran and continuously present it before other judges in support of their bail plea for drug offenders.

Penina Azran was detained 1 year ago at the Ben-Gurion Airport and a body search revealed that she was carrying 150 grams of heroin. It was discovered that she served as courier to several gangs of drug smugglers. She claimed that she was forced to do it because of economic difficulties: She has an 8-year old child born as a result of rape, whom she is raising alone. She was tempted by the \$5,000 that the smugglers offered her for carrying a small parcel through the customs from Belgium to Israel. In the first week of the court recess last year, Penina Azran was brought before Judge Hajj Yahya, who was asked by the prosecution to have her under arrest until the end of the trial. The judge heard her unfortunate life story from Defense Counsel David Yaftah, took her child into consideration, and decided to ignore the decision

of the High Court of Justice, which says that drug smugglers are to be kept in prison until the end of their trial.

Penina Azran was released on bail. The trial took place about 1 month ago. Another judge sentenced her to only 1 year in prison in view of, among other things, Judge Hajj Yahya's decision in her case. The judge ruled that the prison term should begin only in September, so that the prisoner can place her son in a boarding school for the year.

Against this lenient attitude to women accused of various offences, his toughness on women guilty of adultery is even more striking. Lawyers appearing before him in divorce cases say that when it is a matter of custody of minors, the judge tends to remove girls from the mother's custody if it becomes clear that the mother cheated on her husband (the girl's father) and brought a lover to the house, where the girl could see him. "Like Islam, the Jewish religion loathes such behavior," he wrote in a decision to give a father custody of the children after it was proven that the mother had committed adultery.

Young people from the Hajj Yahya clan whom I met in the Taibe square sounded bitter about him. They said that before the last elections for the local council the clan decided that the judge should resign and run for the leadership of the council. For many years the Taibe council had been ruled by a clan member, but the seat was lost two terms ago to the second village clan. The Hajj Yahya members decided that there was only one person who could restore the council leadership to them: the district judge, after resigning his post. Yusuf Hajj Yahya rejected the request, and his family have not forgotten it.

On the other hand, his close cousin and brother-in-law, Walid Zadaq Hajj Yahya, who was the principal of the village high school, did not shy away from politics. Walid, the cousin married to the sister of the judge's wife (a third brother-in-law works as a doctor at the Hillel Yafe Hospital in Hadera), was a Knesset member for SHELI and is currently identified with the Progressive List for Peace. Walid, a man taller even than the judge, wanted to study law at the time, but abandoned it after 2 years.

An article about an Arab judge cannot very well ignore his special standing. He is the only Arab at the Tel Aviv District Court. It is difficult to look upon him like "any other judge." Even the lawyers who talked to me about him could not ignore the fact. "If we had a few Jews in court of the same caliber, the situation would be better," said a lawyer who often appears in criminal cases. His Arab-ness stands out, especially when he presides over cases concerning identity and personal status, and passes sentence on child custody and alimony according to the Halakha [religious law], the Gemara [traditional learning], and Rabbinic authorities. He himself deals with it with humor.

[Box on page 29] Shilansky Is In Favor, Too

When he came to power about 8 years ago, Prime Minister Menahem Begin said that he would endeavor to appoint an Arab judge to the High Court of Justice. Begin ruled and left, and nothing happened.

Appointing judges is a delicate process that takes place behind closed doors. It is not customary to discuss candidates in public. We chose to ask several members of the appointments committee a merely theoretical question: In their view, is it desirable to appoint an Arab jurist to the High Court?

Minister of Justice Moshe Nissim, chairman of the committee: I see nothing wrong with an Arab serving as a High Court judge. The considerations involved in electing a judge are factual, and no one is ruled out on grounds of origin or community.

Minister Professor Amnon Rubinstein: This is not a matter of quotas. The High Court should coopt jurists without considerations of origin, religion, or sex. Nevertheless, in the past I acted to have an Arab judge appointed to the High Court. I even had a candidate for the position.

Knesset Member Dov Shilansky, the most senior member of the committee: I am an enthusiastic supporter of the idea. It is very important to have very good jurists in the High Court. It is very important they they should have very high moral standards. But the most important is that they should be upright people, or as they say in Yiddish, "a mensch." Judges must not be isolated from daily life, and because there is always the fear that the judges will become too removed from the people, it is important that the High Court should have judges from all the categories of the people. And since Israel has a large Arab population, it is desirable to have an Arab judge on the High Court.

Knesset Member Professor David Liba'i: I believe that all the categories of the population must have the feeling that they have a part in the judicial system. If there is a judge among the minorities who deserves the position, I think that steps should be taken to take him into the High Court. We can learn from the United States, which took good care to appoint a Jewish judge and a black judge to its Supreme Court.

Other jurists wonder how an Arab judge would act when the Military High Court comes to him with land appropriations in the territories, banning an Arab leader, or some other security question.

They point out that only the High Court judges enjoy extensive prerogatives in sensitive matters such as restricted [hasui] detention of espionage suspects and other cases which are not made public at all.

On the other hand, other jurists stress that it is the prerogative of the president of the High Court to distribute the files and the work among the court judges, and that even the British judicial House of Lords--which serves as judicial model to our High Court of Justice--has an Irish judge and a Scottish judge.

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ISRAEL

EAST JERUSALEM ELECTRIC CORPORATION TO SELL STATION

TA091455 Tel Aviv DAVAR in Hebrew 9 Sep 85 pp 1, 2

[Report by Dani Rubinstein]

[Text] The East Jerusalem Electric Corporation has decided to sell its power station in Jerusalem. This report, which appeared some time ago in the East Jerusalem press and has been confirmed by the corporation's sources, indicates a dramatic change in the policy of the Arab corporation, which enjoys aid from Jordan and the PLO.

The reason for the decision to sell originates in the heavy debts owed by the corporation. These debts are mostly to the Israeli Electric Corporation, from which the Arab corporation buys some 85 percent of the electricity it supplies to its clients.

The East Jerusalem Electric Corporation has the right to supply electricity throughout the area beyond the "Green Line" in East Jerusalem and its environs, and over the past few years the scope of its work has expanded because of extensive Israeli construction work, development work, and the connection of quarters and villages to the electrical grid. The Arab corporation has not been permitted to purchase new generators, and it is being forced to cut down its purchases of electricity from the Israeli corporation.

In order to finance its deficits, the Arab electric corporation was given additional sums of money by the joint Jordanian-PLO committee working in Amman. There has recently been a considerable decrease in the transfer of funds from Jordan--inter alia, because of the Arab oil countries' economic difficulties--and the Arab corporation has accumulated heavy debts to the Israeli company.

The Arab corporation's directors conducted examinations which showed that the operation of the local power station (which only supplies some 15 percent of the corporation's electricity supplies) is causing the corporation large expenses, and so the above-mentioned decision was made to sell the old station.

The sale will be made to contractors and Arab financiers in the area, and, following the sale, the corporation will also be able to dismiss dozens of workers and cut down on its expenses. The elimination of the local power station also has political significance, since the Arab electric corporation maintained the station as a symbol and the station's sale represents some sort of a confirmation of its absolute dependence on the Israeli company.

Recently the Arab electric corporation's directors also discussed Israel's demand for the corporation to also employ Israeli workers (Jews). The demand was acceded to a few weeks ago and is being explained by the fact that the corporation deals with many Jews in East Jerusalem and the settlements. An Arab electric corporation source has expressed amazement at this demand and defined it as racist.

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ISRAEL

IDF ORDNANCE CORPS STATUS REVIEWED

Jerusalem THE JERUSALEM POST in English 6 Aug 85 p 1

[Article by Avi Hoffman]

[Text]

The state of the Israel Defence Forces' transport vehicles and heavy engineering equipment is critical due to the attrition of the Lebanese war and the effects of budget cuts, Tat-Aluf (Brig.-Gen.) Tuvia Margalit said recently.

The IDF is therefore concentrating the limited resources available to raise the level of maintenance of these vehicles, even if this may partly be at the expense of armoured fighting vehicles because "we have dropped below the red line," Margalit said. Margalit was speaking to reporters in a briefing before Ordnance Corps Day to be marked on Thursday.

On the other hand, Margalit said, the fighting vehicles are relatively well off. They had been given priority, and the general level of ordnance is stable, he said.

The corps is heavily involved in improving existing weapons systems, and the IDF is the world leader in upgrading tanks, the general said. For one third of the price of a modern tank the IDF is able to upgrade an older vehicle, investing it with almost the same operational capability of the latest models. The defence industries also export know-how and finished items in this field.

The IDF has always been deeply concerned with combat protection for its men, and in this respect the Merkava emerged with flying colours from the Lebanese war. Other armoured vehicles were less successful in protecting their passengers, and the corps is investing much of its

resources in enhancing protection and survivability.

The corps has made significant improvements in the armoured personnel carriers, which came out of the war with a very poor record.

The ordnance corps has been more affected by permanent force dismissals than the rest of the army, said Margalit. The corps service roster had shown in the past a higher than normal proportion of permanent force men because conscripts could not supply the trained personnel needed. The corps was hit hard by directives bringing its permanent force roster down to IDF norms in addition to the across-the-board cut of 5 to 6 per cent in permanent force personnel, he said.

The corps is unable to compete with civilian industry for young engineers. The army salaries are "laughable," and only "Zionism" and high motivation kept the officers in service, Margalit said. The Manpower branch is working on some improvements in financial conditions, but the army is still in a very inferior position compared to the incentives offered by the open market, he said.

Margalit, who has tendered his resignation over differences of opinion with the Chief of General Staff about reorganization in the Logistics Branch, refused to be drawn into a discussion of that issue. He said only that he disagreed with the need to place the Ordnance and Maintenance Corps under the Logistics Branch, and therefore decided to leave the force.

ISRAEL

BRIEFS

ISRAELI-JAMAICAN AGREEMENT--Yesterday Israel and Jamaica signed an agreement to prevent duplication of customs duties, after a decision on this had been made by both governments. [Excerpts] [Tel Aviv HA'ARETZ in Hebrew 4 Sep 85 p 4 TA]

GAZA MEDICAL CENTER--Israel has decided to approve the establishment of a new medical center in Gaza. The decision was made by senior political and security echelons, in coordination with the World Health Organization. [Text] [Tel Aviv HA'ARETZ in Hebrew 4 Sep 85 p 3 TA]

CIVILIAN ADMINISTRATION POLICY--The head of the Civilian Administration in Judaea and Samaria, Colonel Efrayim Sneh has said that the Civilian Administration will continue its policy to improve services for the inhabitants of the area and to better the quality of life. Israel, he said, clearly distinguishes between a handful of terrorists and the population in general. The lives of the inhabitants are disrupted as a result of the terrorist incidents, Sneh said, and the population undoubtedly knows that this is not the way to solve their problems. Col Sneh was speaking at a ceremony dedicating a school and infrastructure [tashtit] in 'Asirah al-Shamaliyah in Samaria. During the ceremony, the head of the Arab village league in the Nabulus district denounced the recent terrorist attacks. [Text] [Jerusalem Domestic Service in Hebrew 1300 GMT 8 Sep 85 TA]

REDUCTION IN ISRAELI IMPORTS--The Romanian authorities are complaining that there has been a decrease of almost 50 percent in Romanian exports to Israel. The Romanians say they expected Israel to continue purchasing goods from Romania in view of the correct diplomatic relations between the two countries. Senior Romanian officials said this to Knesset Member Aharon Har'el and the Labor Party spokeswoman, Mikhal Kohen, who spent last week in Romania as guests of the Communist Party at the independence celebrations. [Report by Avi Bettelheim] [Text] [Tel Aviv MA'ARIV in Hebrew 4 Sep 85 p 2 TA]

SUMMER TIME ENDS--In 4 hours from now daylight savings time ends in Israel. Clocks are to be turned back 1 hour at midnight. Summer time was to have continued for another 2 weeks, but the cabinet decided to end it early, at the request of Interior Minister Yitzhaq Peretz. He argued that the switch tonight, rather than in 2 weeks time, would necessitate less of an adjustment for children beginning school and make it easier for Sephardi Jews conducting special

prayers prior to the Jewish New Year, Rosh Hashana. Energy Minister Moshe Shahal said yesterday that over \$3 million had been saved by introducing daylight savings time. [Text] [Jerusalem Domestic Service in English 1700 GMT 31 Aug 85 TA]

'CHILLY' JORDANIAN ATTITUDE--Some 1,500 Israeli Arabs who went on a pilgrimage to Mecca to fulfill the precept of the hajj returned to Israel today via the Allenby Bridge. Our correspondent Arye Gus reports that 300 of them wanted to return earlier than scheduled, and came back yesterday. They explained their desire to advance their return as resulting from the chilly attitude they were accorded by the Jordanians. Our correspondent reports that all in all, 2,190 people left Israel for Mecca this year. The Israeli authorities did not permit youths under 35 to leave for Saudi Arabia for security reasons. Minister Weizman's aide, Dr Yosef Ginat, told our correspondent that the hajj campaign has scored a success. [Text] [Jerusalem Domestic Service in Hebrew 0900 GMT 2 Sep 85 TA]

ISRAELIS FREE TO TRAVEL--The IDF spokesman has announced that Israeli traffic and citizens are not prohibited from traveling in Gaza, Judaea, and Samaria, except for areas in which there is curfew. Earlier our correspondent reported that the IDF had closed off the northern part of the Gaza Strip to Israeli vehicles. The commander of the [Gaza Strip] northern sector told our correspondent this was done in order to prevent Jewish settlers in the Gaza Strip from entering the city of Gaza. He added that the IDF forced the armed Jewish settlers to leave the outskirts of the city, and now they are patrolling the road between the Erez roadblock and the town of Bayt Hanun, while carrying weapons and hoisting the Israeli flag. [Text] [Jerusalem Domestic Service in Hebrew 1600 GMT 6 Sep 85 TA]

SECOND HALF AUGUST INDEX UP--In the last 2 weeks of August, the index rose by approximately 3.5 percent in comparison with the month of July. This has been reported by the spokesman of the Central Bureau of Statistics. Our correspondent Me'ir Einstein notes that a huge 21.7-percent hike in fruit and vegetable prices was registered. Economic circles in Jerusalem believe that judging by this data, the August index will be higher than Treasury forecasts, which put it at between 3 to 4 percent. [Text] [Jerusalem Domestic Service in Hebrew 1100 GMT 9 Sep 85 TA]

NEW CHIEF EDUCATION OFFICER--Brigadier General Nehemya Dagan has been appointed as chief education officer. He will replace Brigadier General Yosi Eldar who is going on school leave. [Excerpt] [Jerusalem Domestic Service in Hebrew 1900 GMT 11 Sep 85 TA]

POVERTY STATISTICS--The National Insurance Institute has stated that there are about 270,000 people living in Israel today who are defined as being poor. About 10 percent of the inhabitants live below the poverty line. Last year there was an increase of 25 percent in the number of poor people. National Insurance Institute economists say this was caused by wage erosion, a decrease in support for the needy, and the increase in unemployment. [Text] [Jerusalem Domestic Service in Hebrew 1400 GMT 10 Sep 85 TA]

EXPORTS INCREASE--Israeli exports have grown in the first 8 months of the year by approximately 6 percent by comparison with the same period last year. Industrial exports grew by 5 percent in this period, whereas a decrease was registered in agricultural exports. The figures of the Central Bureau of Statistics show that by comparison with the second half of 1984 exports have only increased by 2 percent this year. [Excerpt] [Jerusalem Domestic Service in Hebrew 1100 GMT 6 Sep 85 TA]

DENMARK TO HELP WITH EEC TRADE TIES--The Danish Government has promised to help settle Israel's trade relations with the EEC even before the entry of Spain and Portugal into the market. This promise was made by Denmark's prime minister, who is currently visiting Israel, during a talk with Economics and Planning Minister Gad Ya'aqobi. Our correspondent has learned that Mr Ya'aqobi described to the guest the difficulties involved in exporting agricultural product from Israel to Europe, especially in the wake of the entry of the new countries in January. The EEC foreign ministers are to meet at the end of the month to discuss trade ties with Israel. Jerusalem hopes that Denmark will indeed act to find a quick settlement of the problem. [Text] [Jerusalem Domestic Service in Hebrew 1000 GMT 6 Sep 85 TA]

DANISH OPPOSITION TO MIDEAST CONFERENCE--[No date] (ITIM)--The Danish Government does not think there is any room to convene an international conference on peace in the Middle East. This was declared yesterday by Danish Prime Minister Poul Schluter at a news conference held in Jerusalem following his talks with Prime Minister Shim'on Peres and Foreign Minister Yitzhaq Shamir. In his opinion, convening an international conference of this sort necessitates extensive, meticulous preparation, and the issue must first and foremost be a matter for those parties to the dispute themselves. The Danish prime minister expressed the hope that U.S. envoy Richard Murphy's efforts will yield positive results, stressing that one of the difficulties facing him is the problem of the participation of the Palestinian representatives in the negotiating process in the face of Israel's stand against those members of the Palestinian delegation who are PLO members. [Excerpt] [Tel Aviv DAVAR in Hebrew 6 Sep 85 p 2 TA]

CAMPAIGN AGAINST AGENCY CLOSURE--The Arab Journalists' Association is opening a public campaign in Israel and abroad to protest against the closure of the news agency AL-MANAR in East Jerusalem by order of the military commander. The agency dealt with transferring information to the Arab papers in East Jerusalem and to foreign correspondents. It has been closed for 6 months. No reason has been reported for the agency's closure, other than the fact that it serves the Democratic Front for the Liberation of Palestine, Nayif Hawatimah's organization. [Excerpt] [Jerusalem Television Service in Hebrew 1900 GMT 10 Sep 85 TA]

IDF RADIO NEWS SECTION TO CLOSE--The IDF radio news section is finally closing down as of 18 September. A new current affairs program called "Good Morning, Israel" will replace the morning newsreel. It will be hosted alternatively by Yitzhaq Ben-Ner and Mikha Friedman. The compromise reached between the chief of staff and civilians who appealed to the High Court of Justice forced the station to cancel the morning newsreel and to leave the evening newsreel intact, though more time will be devoted to military issues. The IDF radio current affairs section is headed by Yosi 'Ozrad, who headed the news section in the past. Several employees of the disbanded section are in the process of retirement or dismissal, and several others will join the current affairs section. The new planning will include, among other things, a Jewish affairs program to be headed by Hilel Sommer; trial programs are presently being aired. New music programs will be broadcast for soldiers remaining on base over the weekend. The program "In the Current Situation," which is broadcast each Saturday, will be shortened to 1 hour, between 1000 to 1100 (local time). [By Natan Ro'i] [Text] [Tel Aviv DAVAR in Hebrew 10 Sep 85 p 3 TA]

CSO: 4400/264

LEBANON

BRIEFS

NEW TV STATION--The occasion of the third anniversary of the election of martyr President Bashir al-Jumayyil was highlighted by the inauguration of the Lebanese Broadcasting Corporation [al-Mu'assasah al-lubnaniyah li al-irsa] at 1900 tonight. The station began its transmission by playing the national anthem. Karim Paqradi, chief of the Lebanese Forces' Information Department, made an opening statement in which he said: In the name of the Lebanese Forces, we announce the inauguration of the Lebanese Broadcasting Corporation. Prior to this announcement, he added, this television station was the property of the Lebanese Forces alone. As of this moment, it has become the property of all the Lebanese people. We are inaugurating this corporation under the most difficult conditions to prove again our determination to stay in this homeland and to live on this land. We also seek to confirm our ability to make progress and advance forward despite the risks. Addressing Lebanese citizens everywhere, Paqradi said: It is your right to know more and to be better informed. It is our duty to tell you the truth in complete freedom. We announce the start of our programs under the slogan: Knowledge, Truth, and Freedom. [Text] [Beirut Voice of Lebanon in Arabic 1915 GMT 23 Aug 85 NC]

SSNP USE CONVENT AS ARMS DEPOT--According to reports from Upper al-Matn, gunmen from the Syrian Social National Party [SSNP] entered Mar Ilyas convent in the Al-Mutayn area today and, after expelling the religious, took it over for use as an arms and ammunition depot. [Text] [Beirut Voice of Lebanon in Arabic 1915 GMT 4 Sep 85 NC]

AL-JUMHURIYAH BEGINS PUBLICATION--The newspaper AL-JUMHURIYAH today joined the family of major Lebanese newspapers. Its chief editor Ilyas al-Murr expressed the paper's position by saying: AL-JUMHURIYAH is concerned with the Lebanese issue as perceived from the Lebanese Christian viewpoint. It is a free and independent paper which has been published to defend what is right. It also supports the Lebanese issue so that Lebanon may remain a republic. [Text] [Beirut Voice of Lebanon in Arabic 0515 GMT 7 Sep 85 NC]

AMAL CONFISCATES NEWSPAPER--The Amal Movement has confiscated today's edition of the AL-JUMHURIYAH newspaper in Hayy al-Sullam in the southern suburb, a measure constituting another assault against the Lebanese freedom of opinion. Syndicates and journalists have expressed amazement at such a violation of Lebanese freedom of the press, which they consider to be the last bulwark of democracy in this country. [Excerpt] [Beirut Voice of Lebanon in Arabic 1115 GMT 12 Sep 85 NC]

CSO: 4400/5

OMAN

GAS STRIKE IN OMAN

Dubayy KHALEEJ TIMES in English 5 Sep 85 p 15

[Text] MUSCAT—There has been significant strike of non-associated natural gas in the Maqhoul South well of Petroleum Development Oman, 30km north of Yibal.

The gas accumulation was discovered at a depth of 2,189 metres, by Rig 1.

In all 19 non-associated gas accumulations of various sizes have been discovered by PDO over the years.

Maqhoul South is the third successful application of a technique developed by the Interpretation Studies group and the North/Central Oman Exploration Team. Last year, gas fields at Thumayd and Burhaan were predicted ahead of the drill.

The next well will test deep reservoirs beneath the Yibal oil field. Conditions there are not such that gas can be detected directly, but data from a previous deep well suggests that gas is present.

An agreement, assigning responsibility for searching non-associated gas over a 10-year period, was signed by Petroleum and Minerals Minister Said bin Ahmed Al Shanfari with PDO early this year. The aim of the programme is to locate sufficient reserves of non-associated gas to cater to the rising demand well into the 21st century.

Port activities

- The dry cargo discharged at Mina Raysut (Salalah), in south Oman, has shown an 87.68 per cent spurt in the first half of this year, as compared to the corresponding period in 1984.

The respective figures were 94,837.37 tonnes and 50,530.28 tonnes, according to shipping industry sources.

Bulk fuel discharged showed an 11 per cent improvement, at 101,208 tonnes (91,212 tonnes), while the increase was marginal in containers handled, at 744TEUs (687).

In the half-year period, 141 vessels called at the port (122). The number of Ro-Ro vessels was six, as compared to 10 in the first six months of 1984.

- PDO is to acquire two more rigs by the year-end, raising the fleet strength to 13.

Rig 12, owned by Oman Deutag Drilling Company, is currently in the Japex concession, nearly 50km north-west of Fahud. It will be moved to Saih Nihayda, with a targeted spud date of October 1.

The 13th rig, a comparatively smaller unit, is intended mainly to carry out completion on wells in south Oman.

The intended start-up date for the 13th rig, to be designated as Rig 14, is January 1, 1986.

CSO: 4400/258

PALESTINIAN AFFAIRS

HA'ARETZ ON PEACE INITIATIVE, PALESTINIAN RIVALRIES

TA221111 Tel Aviv HA'ARETZ in Hebrew 22 Jul 85 p 7

[Commentary by Yehuda Litani: "Before the Sparks Start Flying"]

[Text] It has been a long time since there has been such excitement in the territories. No wonder, since this time the issue at stake is one that goes over and beyond any political initiative we have known in the past. Both those in favor and those against the current political initiative stemming from Amman, Washington, and Cairo feel that they should roll up their sleeves and get ready for a prolonged political battle. Both supporters and objectors believe this battle has a chance of bearing results, if not in the form of negotiations with Israel or even an Israeli withdrawal from the territories, then at least in the form of U.S. recognition of the PLO--and that is also something, considering the long years of official U.S. alienation.

Just as a submarine emerging on the surface initially reveals the tip of its periscope and only later its bridge and deck, so the picture of the rival camps in the territories is beginning to emerge--a picture which reflects the situation of the Palestinian people throughout the Arab diaspora. Those who support and object to the current process will be joined by others in due course. The supporters are usually those loyal to Fatah and the pro-Jordanian people in the territories, and the objectors are those faithful to the rejectionist front, pro-Syrians, and the communists.

A Palestinian actively involved in the events of 1936-1939 and one of the commanders of the Husaynite leadership in those days told me yesterday that last week reminds him of how those days began from the point of view of the divisions and rivalries within the Palestinian camp. "Everything is set for the sparks to start flying. Just as then, the rival camps today are also being driven toward a catastrophe which might determine our fate for dozens of years to come. However, the roles today have been reversed: What used to be the opposition led by Hashashimi are now supporters of 'Arafat, and those who were then members of the leadership headed by Haj Amin al-Husayni, who objected to any negotiations, are now part of the Syrian-inspired opposition," he told me.

"It does not matter," the man went on, "that most inhabitants of the territories support Yasir 'Arafat and Fatah. The fact that 20 percent or even

less support the rejectionist organizations and Syria is enough for them to heed the instructions which have been emanating from Damascus over the last 2 days (Syria has threatened the members of the Palestinian delegation not to dare enter any negotiations whatsoever or else their lives will be in danger--Y.L.) to ignite the spark that will herald a war to the bitter end within the Palestinian people, a war which--when compared to the hundreds of mutual killings in the 1930's--would seem like a joke."

An inhabitant of East Jerusalem and an 'Arafat supporter told me last Friday that there is no doubt whatsoever that supporters of the rejectionist front will attempt to sabotage the negotiations by conducting a personal intimidation campaign against the members of the delegation. "For example," he said, "they can easily plant a bomb in the offices or printing workshop of AL-FAJR, the newspaper owned by Hanna Sanyurah who is a member of the delegation. We feel that the atmosphere is charged, since the rivalry is not just confined to animosity between Fatah supporters and rejectionists, but is also pervading staunch PLO supporters, as seen in the rivalry between those inhabitants of the territories who were chosen as delegates and those considered independents or pro-Jordanians: i.e., the rivalry between Attorney Fayiz Abu Rahmah and Rashad al-Shawwa from Gaza, or between Ilyas Frayj and Hikmat al-Masri--who were sure they would be included in the delegation and were astonished to learn that they had been left out--and staunch PLO sympathizers in their districts. Everything is so complicated in our own midst, not to mention the fact that Israel could deepen the differences and rivalries among us."

Indeed, a great deal now depends on Israel's position. If the view of Vice Prime Minister Yitzhaq Shamir and his Likud colleagues on unequivocally objecting to the entire move is accepted, the earthquake whose initial tremors have already been felt may not occur. The disputes would be settled or, to be more precise, would once again be concealed under the thin and fragile cover of the struggle against Israel and its policy. If, in addition to an unequivocal statement on behalf of the prime minister on Israel's opposition to a meeting between U.S. representatives and the seven Palestinians on the list, Israel also announced that it would not allow the two representatives from the territories to leave for Amman, the entire new political move might come to halt or at least be withheld for a long time. In such an event, Yitzhaq Shamir's contribution (as well as that of Shim'on Peres, if he were also to adopt this position) to reunifying and mending the rifts within the Palestinian people would be very significant.

So as not to appear too moderate, the Fatah leaders hastened to announce over the weekend that the contacts are only with the United States and not with Israel. In their official announcement, they deliberately used the word "dialogue" rather than "negotiations." Despite the fact that 'Arafat personally chose the seven members of the delegation, it was emphasized that the PLO has not undertaken to accept or agree with the results of the dialogue. Hani al-Hasan, one of the Fatah leaders, last Friday hastened to announce that the PLO would not recognize UN Resolution 242. However, as far as their rivals in the rejectionist front are concerned, the Fatah men led by 'Arafat have crossed the Rubicon, and are just "imperialist puppets" dancing to the tunes of the American CIA and the Israeli Mossad.

If the Israeli Government decides to firmly object to the current move it will find itself in a position similar to that of Syria, the focus of Arab opposition to the new political initiative. Syria and the rejectionist organizations working under its aegis and with its support will continue to call on the Palestinians in the Arab diaspora and the territories to go on operating against the "traitors" who agreed to collaborate with the United States. In order to cast itself as the real protector of the Palestinian interests, Syria might once again heat up the Lebanese front with the help of terrorist activities near the Israeli border in southern Lebanon, as was the case several months ago.

However, despite all the fears about a split and internal strife among the Palestinians, 'Arafat's supporters in the territories and in East Jerusalem believe this is an initial step in the wake of which the United States will recognize the PLO. Once that happens, they believe it will be easier for the PLO to make the next move: entering a dialogue with Israel, through U.S. mediation, over a withdrawal from the territories and the establishment of a Jordanian-Palestinian confederation. They believe that the vast majority of Palestinians support 'Arafat and his latest moves.

Over the weekend, one of those supporters told me he would not like to be in the shoes of the seven chosen delegates. There is no doubt, he said, that they "will get burned" soon enough and there will also be some among 'Arafat's supporters who will object to them and criticize their moves. According to him, there is no doubt that this is the initial draft of the delegation which will yet be changed several times by 'Arafat in the course of the negotiations. As the importance of the talks grows, he continued, so will 'Arafat raise the level of the delegation. According to the man, this is under no circumstances whatsoever the final list. This line of thought was picked up by another 'Arafat supporter in the West Bank who told me that at this stage the Palestinians have nothing to lose. "We have lost everything; all the land owned at one time by the Palestinians is now in Israel's hands. However, our brothers keep repeating the mistakes of the past, the mistakes of the 1920's, 1930's, and 1940's, the mistakes of absolutely rejecting any political move and negotiations with the Zionists (then) and Israel (today) and continuing to entertain illusions about a military conquest and the eradication of Israel. Each time there is a chance of getting us out of this catastrophe, our extremist brothers lend a hand to extremists in the Arab countries and particularly to Israel, which constantly strives to exacerbate the disputes and divisions in our midst."

According to this Palestinian, a fervent supporter of the latest moves made by 'Arafat and Husayn, there will always be someone more extreme than the most extreme who will not be satisfied with any accomplishment, even if such negotiations take place in the future. He added: "Even if there is an agreement on a withdrawal from all the territories and East Jerusalem, they will start to cry about the treason entailed in giving up Yafo, Haifa, and 'Akko. Hypothetically, assuming that they were to get Yafo, Haifa, and 'Akko back, they would raise hell that in the negotiations we gave up on our right over a 20-km strip on the Mediterranean Sea. I think we should simply ignore these extremists, return their violence in kind so that they cannot intimidate

us, and seriously proceed to further this move, the only one in the last 18 years that entails a slight chance of getting us all out of this terrible and lengthy conflict."

The man added: "I call on the Israelis to realize that although the name PLO frightens and deters them, we are the only ones with whom they can currently have genuine and sincere negotiations. We are the enemies of yours who, sometime perhaps, may become your non-enemies (it is hard for me to imagine that such a long period of hostility can be followed by immediate friendship). You cannot decide for us who will represent us."

Now that the names of the delegates have been published, the supporters of the current move in the territories feel like one would feel after the delivery of a baby by a complicated Caesarean section. The tender baby might die any minute of an infection or disease, and has to be taken care of very diligently. They know that any small spark might ignite the fire that will do away with the vast efforts and careful planning of the last 2 years. Despite the fact that they represent the majority of the inhabitants in the territories, they are not certain of success--knowing as they do what has happened in the past. They are fearful of firm Israeli opposition, of Syrian agitation, of the communists who are inspired by Moscow, and of the terrorist operations and murders which might be perpetrated by the rejectionists both in the territories and overseas. However, they are particularly afraid of dramatic changes within their own camp, of desertions from one camp to the other, and of a drastic change in the balance of power between the majority and the minority in the territories and overseas.

CSO: 4400/263

PALESTINIAN AFFAIRS

AL-BA'TH RAPS 'ARAFAT'S 'PEACE FOR LAND' OFFER

JN301032 Damascus Domestic Service in Arabic 0345 GMT 10 Sep 85

[From the press review]

[Text] In an editorial entitled "One-Upmanship in 'Arafat's Bazaar," AL-BA'TH says: 'Arafat's downfall into the abyss continues with the increase in the suspect capitulation planned by the United States. Jordanian reaction, which is allied with the Palestinian right wing and the Camp David figures, has volunteered to achieve the serious objectives of this capitulation. This 'Arafat downfall has recently taken the form of outbidding Jordan on making the desired concessions to Israel and the United States. The 'Arafatist right wing has appeared as though it is more willing to recognize Israel, more enthusiastic about direct negotiations, and more ready to throw itself on Washington's threshold.

Amid the flow of statements, comments, and proposals from both allies--Jordan and the Palestinian right wing--observers have noted that 'Arafat has abandoned the reserved and committed attitude that he once showed to the Palestinians at home and abroad and has begun talking about exchanging peace for land and holding direct negotiations with equal ease and enthusiasm as he once reiterated the slogans of armed struggle and the liberation of Palestine. The author of the Amman agreement has begun to solicit the United States so it will save his face, accept his repentance, and help him and his Jordanian ally reach the formula that Washington deems suitable for any form of negotiations with the Zionist leaders, even if these negotiations lead to the independence of only one inch of Palestinian territory so long as it is headed by 'Arafat.

The embellishments with which 'Arafat covers up his downfall, such as the announcement about his desire to convene an international conference with the participation of the two superpowers and the parties to the Arab-Israeli conflict, will not delude the Palestinians and the Arabs about his real secret role--a role which is exposed from time to time by his own concessions and hot pursuit after the mirage of the U.S. solution and the communication channels he has recently found in Amman and Cairo, after the agent regimes in both capitals have discovered how to lead 'Arafat into the abyss.

Palestine's future cannot depend on 'Arafat and his allies regardless of their claims about their concern for Palestine. Peace in the region is not a deal to be concluded in a money exchange bureau, but a crowning of the struggle of a people and nation who will not accept anything short of their complete right to life and freedom.

PALESTINIAN AFFAIRS

PALESTINIAN CP COMMENTS ON PALESTINIAN LIST

JN301127 Jerusalem AL-TALI'AH in Arabic 25 Jul 85 p 12

[Text] A spokesman of the Palestinian Communist Party Political Bureau has stated the following: Reports say that Jordanian officials have handed over a list of names for the joint Jordanian-Palestinian delegation to the U.S. administration which, in turn, transmitted it to the Israeli Government. The Jordanian officials claimed that the names included on the list were obtained from the PLO chairman.

Our Palestinian Communist Party considers this action as a grave step toward direct and separate negotiations with Israel under the U.S. direct supervision, and in accordance with Husni Mubarak's initiative which constituted the mechanism for the Amman agreement signed last February. This step represents a new Camp David process that will by a stroke foil the aim of an independent national state, the international conference in its true meaning, and the independent representation of the PLO as the sole legitimate representative of our Palestinian people. All this is taking place without any guarantee to respond to any of our people's national and just demands that are internationally recognized. Meanwhile, this grave step undermines the possibility of renewing the sincere national endeavors to restore the PLO's unity on this basis of hostility to imperialism and Israeli occupation.

The declared Israeli leaders' position does not so far change or mitigate the gravity of the step which we view as a part of the scenario intended to cause confusion and to reduce the resistance of this grave danger.

Our Palestinian Communist Party considers the PLO's official leadership's silence on this extremely grave step and its failure to promptly disavow and condemn it, as having only one meaning; namely, confirming the Jordanian rulers' claim that the list of Palestinians in this ill-omened joint delegation came from this leadership.

Our party cautions and warns against proceeding with and adhering to this step since it is a grave stab to our national cause. Our people, inside and outside, relentlessly reject and resist this step. The wagers on this step will only reap disappointment and defeat.

CSO: 4400/263

SAUDI ARABIA

STEPS TO SUPPORT SAUDI CONTRACTORS OUTLINED

Riyadh AL-RIYAD in Arabic 31 Jul 85 p 11

[Article by Rayhan al-Harbi: "Aba-al-Khayl Outlines Steps To Support Saudi Contractors"]

[Text] His Excellency Minister of Finance and National Economy Muhammad Aba-al-Khayl has sent a memorandum to the Kingdom's Council of Chambers of Commerce and Industry explaining the necessary steps which the ministry has taken to support the "Saudi contractor" and give him the opportunity to participate in carrying out projects assigned to foreign contractors. The memorandum reads as follows.

In a letter submitted to the throne earlier, the Ministry of Finance and National Economy remarked on how foreign contractors are competing with Saudi contractors. This letter from the ministry contained suggestions which were referred to the Council of Ministers, which then issued Decree No. 124, which contains the following provisions.

1. All non-Saudi contractors must subcontract not less than 30 percent of the work included in their contracts to wholly Saudi contractors.
2. All contractors must purchase the tools and equipment they need to implement their contracts within the Kingdom, from Saudi agencies for such tools and equipment. They cannot import tools and equipment directly from abroad except for used equipment belonging to the contractor.
3. The contractors must obtain the following services from local Saudi organizations: (a) commodity transport services within the Kingdom if the contractor does not do it himself using equipment owned by him and persons working directly for him; (b) local insurance services; (c) banking services; (d) services for the rental or purchase of lands and buildings; and (e) catering and food supply services.

In the memorandum it submitted to His Majesty the King, the ministry also suggested guidelines for increasing the number of government projects given to Saudi contractors. The ministry's suggestions were discussed by a ministerial committee, after which His Majesty the King's approval was announced in a communique to all government agencies, which included the following guidelines.

1. As a constantly observed priority, the utmost efforts should be made to give Saudi contractors the opportunity to carry out government projects.
2. Projects should be divided up whenever possible, so that Saudi contractors can qualify for them and carry them out.
3. Foreign contractors should be monitored to make sure that they comply with the requirement to obtain the approval of administrative agencies for subcontracting the contract work within the country. Foreign contractors should be urged to give Saudis better opportunities to work with them.
4. Non-construction contractors engaged in such activities as catering, maintenance, operations and sanitation should refrain from importing raw materials and operations similar to those offered by Saudi contractors. The ministerial committee will meet again in the near future to follow up what has been done in this context and report to the throne.

Because of the ministry's desire to monitor the application of this decree so as to achieve the anticipated results, practical guidelines for its application have been drawn up and circulated to all ministries and government administrations, asking the following.

1. The general conditions which are announced when a project is put up for bidding must include the provisions of the afore-mentioned Council of Ministers decree.
2. These conditions must also stipulate that the foreign contractor must present, along with his bid, statutory documents pertaining to the Saudi contractor with whom he has agreed to subcontract not less than 30 percent of the project, such as his commercial registration, his alms tax [zakat] and income tax certificate, his certificate of membership in the chamber of commerce, and his classification certificate.
3. The payment tendered or demanded for the first part of the work completed should not be disbursed until the foreign contractor presents proof that he has complied with the first paragraph of Council of Ministers Decree No. 124 of 1983. In case the foreign contractor wants the payment agreed upon with the Saudi contractor to be made in the final stages of the project, the disbursing authority should withhold 50 percent of the foreign contractor's fees for the project until the foreign contractor proves that he has implemented the above-mentioned decree.
4. Contracts with consulting firms which supervise the implementation of projects should include a clause requiring them to prove that they have complied with the above-mentioned decree and guidelines.

5. Whoever is supervising implementation, be it a consulting firm or the technical agency of the administrative authority, must submit reports on how the decree is being applied. Supervisory report formats should be changed in order to add one or more sections showing what steps the supervising body is taking to make sure that the above-mentioned decree is being applied.

Since it has become clear to the ministry that some people are trying to get around applying this decree, it has called attention to the need to apply the guidelines referred to previously, in order to achieve the intent of Council of Ministers Decree No. 124 of 1983.

In addition to what we have already presented to you, this ministry has taken the following steps to encourage local industries.

1. The Ministry of Finance and National Economy has advised all government agencies to impress on their specialists the need to observe the application of the Council of Ministers decree, which stipulates that every 6 months the Ministry of Industry and Electricity should compile lists of national industrial products suitable for government procurement, after ascertaining their quality and availability, and circulate these lists to government agencies. These agencies should make sure that the contracts they conclude with contractors and importers contain a clause requiring the administrative body to purchase national products listed in the Industry and Electricity Ministry lists whenever such projects are needed to carry out a contract. This ministry has also stressed the need to monitor the products being offered, to see whether they are of Saudi manufacture and provenance, fulfil the purpose intended, fall within the price limits set by the Ministry of Industry and Electricity, and whether local raw materials or local manpower have made a reasonable contribution to their production--even though it has been proven that national products cost 10 percent more than their foreign counterparts.

2. In submitting its report to the throne, the Ministry of Finance and National Economy referred to the difficulties being faced by the Kingdom's building material factories because government agencies have not purchased as much of their products as had been anticipated, and welcomed the idea that the throne direct all government agencies to encourage dealing with these national industries.

The ministry also brought up the national poultry farmers' difficulties in marketing their produce, and suggested that a directive be sent to all government agencies requiring catering contractors to meet their needs by using local eggs and chickens.

His Majesty King Fahd bin 'Abd-al-'Aziz has issued an order that all government agencies fill their needs by using local, national products, and that project specifications be prepared in such a way as to allow the acceptance of the products of national factories and farms whenever that would achieve the intended purpose. The Ministry of Finance and National Economy has directed its specialized agencies to comply with and implement this order.

8559

CSO: 4404/472

SAUDI ARABIA

SAUDI TRADE DELEGATION

Dubayy KHALEEJ TIMES in English 5 Sep 85 p 13

[Text]

VIENNA—A Saudi Arabian trade delegation led by National Industrial Company (NIC) Chairman Dr Mahmoud B. Jalal is currently on a fact-finding mission in Austria to promote industrialisation in the Saudi Kingdom. The NIC delegation had already visited neighbouring West Germany, France and Japan on what is described as a global shopping tour. In West Germany, Dr Jalal negotiated a SR150 million deal for the establishment in Saudi Arabia of a wire factory designed to produce 50,000 tons of wires and cables a year.

Talks are going on with a French consortium concerning the setting up of a petrochemicals project worth \$300 million in Saudi Arabia. NIC was established in Riyadh three years ago with a capital of SR600 million.

CSO: 4400/258

SYRIA

SOVIET RELATIONS APPEAR 'SHAKY'

East Burnham ARABIA: THE ISLAMIC WORLD REVIEW in English Aug 85 p 34

[Text]

Underlining President Assad's visit to Moscow of June 19-21, where he had talks with Soviet leader Mikhail Gorbachev, was the fact that although the audacity of his political design for the Middle East is impressive, it has however become risky to a point which makes Moscow uneasy.

The visit took place in the midst of the Beirut hijacking and Moscow's expressed concern at the build-up of American forces. For Nabih Berri, and by extension his Syrian supporters, the hijacking added another complication to the troubles already looming on the local and regional stages.

The hijacking, coming as it did in the aftermath of the Syrian-inspired battle between Berri's men and the Palestinians for control of the Beirut camps, brought censure from a number of quarters in the wider Arab world and contributed further to the isolation of Syria's position in the region. With the peace moves pursued by Arafat and King Hussein apparently gaining some momentum, and calls for an Arab summit meeting also gaining ground, it was perhaps hardly surprising that President Assad chose this moment to confer with his Soviet allies.

Moscow's anxiety is also obvious. The risks of Syrian isolation impede and weaken the Soviet role in the region. Assad is viewed by the Soviets as having become too closely linked to Lebanon's Shiites, to the consternation of Sunni Muslims everywhere, in particular through his role in the Battle of the Camps — which even the PLO rebels loyal to Syria and Iranian and Libyan allies could

not stomach. Hence, Kremlin leaders stressed "the importance of preserving PLO unity and of overcoming differences among Palestinians."

Clearly, attempts to promote Amal as a major instrument for imposing indirect Syrian control over parts of Lebanon, especially West Beirut, had failed. The Damascus agreement of June 18, which froze the Amal-Palestinian battle, entailed such an admission since Amal had to give up its declared objective of putting the camps under the control of Shiite forces.

Ironically Assad, according to Moscow, is travelling the road towards striking an arrangement with America and Israel. This direction was also observed by an American official when analysing Syria's role in the release of the American hostages in the recent Beirut hijacking. He noted: "Mr Assad, who two years ago played a crucial role in forcing the United States out of Lebanon, used his considerable power there to help the United States — even with Israel — to prop up Mr Berri, leader of the moderate Amal militia against more radical Shiites backed by Iran."

If Assad continues in this direction, he will have no political ground on which to oppose the deal which the Arafat-Hussein-Mubarak coalition is seeking and to which Moscow remains opposed. Significantly, while Assad was still in town, *Pravda* published on June 21 the communique of the Arab communist parties denouncing the approach of the moderate coalition. Moscow can not go

along with the moderate coalition because, among other things, it would alienate such radical forces as are still active in the Middle East and which retain links with Moscow.

In theory, of course, the Soviet Union ought to support the coalition because it is urging one step that Soviet policymakers have always demanded — an international conference with Soviet participation. In reality, Soviet analysts are of the opinion that any such conference will assign Moscow a marginal role and ask it merely to approve the compromises forged by the coalition of Arab moderates with the Israelis and Americans.

Earlier last month there were reports that US officials believe that after months of discreet negotiations in Moscow the Soviet Union was on the point of agreeing to resume the diplomatic relations with Israel that were broken off in 1967. Israeli officials have been signalling their desire for a resumption of relations for some time; they would be delighted to drive a wedge between Moscow and its various Arab allies, including Syria. But the Soviets have publicly stuck to the position that nothing has changed in the Middle East to warrant any change of policy on their part.

It is believed that US embassy officials, with the same motive as the Israelis, have been acting as intermediaries between Israel and the Soviet foreign ministry. US officials say they are now close to a deal, and that if the Soviets take this initiative Israel and the US would lift their opposition to the formula for an international conference that King Hussein has been proposing. Rumours of

a secret Israeli-Soviet deal have appeared in the Israeli press from time to time, mostly to sow trouble between the Soviets and their Arab allies; for the first time, however, US officials are now hinting at it.

However, it may purely be wishful thinking, for one all-important clue in the American scenario is missing. What motive would the Soviets have for reverting their policy towards Israel, isolating Syria, and lending credibility to the idea of Moscow — as well as Damascus — being open to negotiation, which they have opposed from the beginning? In the Soviet view, it is much better to stay with Assad. After all, he has outwitted both Israel and the US in Lebanon.

Nevertheless, one observes a lack of intense involvement by the Soviets that was only too visible between 1956 and 1973. One of the reasons for this is certainly Soviet disappointment with most of the Arab leaders, who have more or less aligned themselves with the US and view the solution of the Palestinian issue as coming through US pressure on Israel. Moscow's occupation of Afghanistan has furthered its alienation from the Muslim world.

Also, since Reagan has taken over the presidency of the US, Moscow has become more preoccupied with its own problems and with an increasingly tense and potentially dangerous confrontation with the US. Finally, Moscow to some extent can afford to play a "passive" role largely because the Americans are making a good job of digging their own graves in Arab sands — thanks mostly to their obsessive ties with Israel.

SYRIA

ECONOMY STRUGGLES TO KEEP AFLOAT

East Burnham ARABIA: THE ISLAMIC WORLD REVIEW in English Aug 85 pp 57-59

[Text]

The performance of the Syrian economy during the past decade has been very much geared to the political brinkmanship of its leadership. Syria is a relatively small economy of approximately ten million people, which has so far managed to pass over various turbulences in the world economy by drawing upon massive aid and foreign assistance which has been made available through the successful political manoeuvrings and frequent tactical switching of alliances by the government. By drawing upon substantial amounts of aid and grants from the Arab oil-exporting economies, in particular Saudi Arabia and Libya — and increasingly since 1981 Iran — Syria has been able to compensate for its dwindling export revenues and achieve by far higher rates of growth than its own domestic resource base would have allowed.

So far, foreign aid has been forthcoming in relatively adequate enough amounts to keep the economy going, while at the same time covering the massive military expenses of the government. From the Syrian point of view, however, these latter expenses are a necessary cost without which it would lose the political justification to receive aid. The government has also been successful in receiving considerable technical, military and financial assistance from both the East and the West. With the slackening of the oil market and the continuous downward slide in oil prices, the oil-exporting aid donors of the Syrian government are facing increasing difficulty in continuing their financial support for the country.

The end of the 1970s oil boom in the region has also had the added adverse effect of curtailing the regional markets for Syrian exports as well as the flow of remittances of emigre workers. Furthermore, Syria being a marginal oil exporter herself is suffering from adverse quantity and terms of trade effects of the oil market situation. These adverse circumstances are presenting the Syrian government with increasingly difficult choices and are taxing the ingenuity of the government. There is a big questionmark as to whether the highly bureaucratised and rigid government administration and the highly authoritarian regime of President Assad can find the needed flexibility to deal with these problems.

The growth of the Syrian economy during the 1970s was impressive. The annual average rate of growth of real GDP during the 1972-79 period was about 8 per cent, which was achieved by a massive programme of investment mainly concentrated in the industrial and infrastructure sectors during the third and fourth five-year plans. The annual rate of growth of real investment during this period was 14.4 per cent (see Table 1). It is noteworthy that the high rate of capital accumulation in this period was not at the expense of the real consumption of the population, which enjoyed a high 11 per cent rate of growth. This was due to the favourable movement of the economy's terms of trade together with the considerable inflow of foreign aid and workers' remittances which made possible a 17 per cent rate of growth of real imports per annum — by more than 8 per cent above the growth of real exports. In other

TABLE 1
Structure and growth of national income, 1972-83

	Percent of GDP		Annual growth rates	
	1972	1983	1972-79	1980-83
Private consumption	67.8	69.1	10.8	3.5
Public consumption	17.6	20.7	11.1	2.0
Gross investment	20.1	23.4	14.4	0.4
Exports	18.0	11.8	9.7	-14.5
Imports	-23.5	-25.0	16.8	7.1
Gross domestic product	100.0	100.0	7.9	5.4

Source: IMF and World bank

words, highly favourable external conditions made possible the simultaneous expansion of real investment and consumption.

Substantial structural changes took place in the Syrian economy during this period of rapid growth. Though by the early 1970s Syria had been essentially an agricultural economy, by the end of the decade the economy became dominated by the urban industrial and commercial sectors. The industrial sector being the priority sector during the third and fourth plans grew rapidly in this period and by 1979 increased its share to more than 26 per cent of GDP. Agriculture's contribution to GDP, on the other hand, fell from about 30 per cent in the mid-1960s to less than 15 per cent in 1979.

The structure of exports also underwent rapid change, turning the Syrian economy from a predominantly agricultural exporting one in the early 1970s into a predominantly oil-exporting economy by the end of the decade. Until 1974 the largest proportion of the country's exports, about 33 per cent, was accounted for by cotton. In 1974, however, oil exports became the largest item, accounting for more than 30 per cent, and by 1980 the share of agricultural exports had fallen to 13 per cent. Cotton production in this period in fact exhibited a negative rate of growth, declining from between 200,000 and 250,000 tons during the early 1970s to less than 118,000 tons in 1979. By 1980 more than 60 per cent of exports came from the hydrocarbons

TABLE 2
Syrian government budgets, 1984-85

	1984		1985	
	mn£S	%	mn£S	%
Expenditure				
Current expenditure	23.5	56.9	23.5	54.6
Defence	(12.6)	(30.5)	(13.0)	(30.2)
Subsidies	(1.4)	(3.4)	(1.4)	(3.2)
Investment expenditure	17.8	43.2	19.4	45.0
Total	41.3	100.0	43.0	100.0
Revenues				
Taxes & duties	11.9	28.8	10.5	24.4
Public sector	8.8	21.3	13.1	30.4
Grants & loans	13.0	31.5	12.7	29.6
Other	7.6	18.4	6.7	15.6
Total	41.3	100.0	43.0	100.0

Source: Finance Ministry, Damascus

sector. The decline in agricultural exports was due to adverse terms of trade of that sector together with the bulk of government investment being concentrated in industry and its related infrastructural activities.

From the early 1980s, due to the declining trend of oil revenues, reversal of the terms of trade movements and mounting military expenditures, various structural tensions began to appear in the economy which evidently could not continue along its former growth path. The rate of growth of GDP plummeted to 3.2 per cent in 1982, 3.1 per cent in 1983 and the estimates for 1984 are put at 2.8 per cent. Since the beginning of the fifth five-year plan in 1981, the government — realising the constraints imposed by the new external circumstances — has adopted various forms of restructuring policies to:

- diversify the sources of foreign exchange revenues and find alternative export channels;
- increase the domestic resource use of the economy by giving priority to the agricultural sector;
- reduce private consumption and curb government consumption by reforming the notoriously inefficient public-sector administration;
- encourage private investment, in particular foreign investment, in priority activities.

These new priorities characterised the strategy of the fifth five-year plan (1981-85) which was a sharp break from the strategies of the previous two plans. The final statement of the eighth Baath Party Congress last January, which gave a general indication of the current priorities and future directions of the economy, is also indicative of the continued preoccupation of the government with these problems. The continued downward slide of oil prices in 1985, and the projections of relative slack in the oil market for the second half of the present decade, signify the crucial significance of the success of the new strategy for the future of the Syrian economy.

The 1985 budget

The 1985 budget of the Syrian government is a reflection of both the austere economic situation of the country and the measures being taken by the government under the new strategy. The new budget follows the succession of deflationary budgets of the past three years. Total expenditure is projected at S£43.0bn, compared to the S£41.3bn of the revised 1984 budget. When viewed in the context of the current rate of inflation of at least 15 per cent, this reflects a negative rate of growth of at least 10 per cent. Current expenditure, maintaining its absolute amount at S£23.5bn, absorbs 54.6 per cent of total government expenditure — about 2 percentage points lower than its 1984 share. Presenting the budget to the National Assembly on 22 May, Finance Minister Qahtan Sioufi declared that the budget aimed to reduce current spending while maintaining the growth of development expenditure, the government's main objectives being: "To meet mounting defence requirements for steadfastness and liberation, and to follow up implementation of the investment plans..."

As in the case of the 1984 budget, military expenditure takes the lion's share of current expenditure, taking more than 50 per cent of non-development expenditure, although the share of defence in total expenditure has fallen slightly from 30.5 to 30.2 per cent between 1984 and 1985 (see Table 2). Compared to 1984 also, the growth rate of defence spending has fallen from about 20 per cent to 3.5 per cent.

Subsidies are projected to remain at the same S£1.4bn current value as in the 1984 budget, implying a more than 15 per cent reduction in real terms — interpreted by some commentators as an indication of the declared government policy to move the economy towards more of a market orientation. This theme was one of the main issues emphasised in the final statement of the Baath Party conference which called for the encouragement of the private sector "within the framework of the government's plan."

The budget projections for government investment indicate a 9 per cent growth at current prices over the 1984 figure. This may reflect the alleged determination by the government to give priority to development spending over current consumption. It should be noted, however, that actual government investment during recent years has normally been below 70 per cent of the budgeted levels and therefore it still remains to be seen to what extent the government would be ready to squeeze the level of consumption during the course of the current fiscal year. The actual performance of the Syrian economy during the 1980-83 period, however, leaves ground for scepticism about the ability of the government to achieve this objective. Economic austerity in that period led to a reduction of 14 per cent in the rate of growth of investment, which dropped from its trend rate of growth of 14.4 per cent during the 1972-79 period to 0.4 per cent during 1980-83. The drop in the rate of growth of consumption in that period was, however, considerably lower — growth of private consumption fell by about 7 per cent and that of public consumption by about 9 per cent (see Table 1). It should be noted that with the passage of time it will become increasingly more difficult to squeeze the growth of consumption and therefore government projections may turn out to be too optimistic.

The investment allocations of the new budget indicate the continued emphasis of the government to give priority to the agricultural sector, which is allocated 20 per cent more than the previous year, amounting to \$£8.6bn — more than 20 per cent of the entire development budget. It was with the beginning of the fifth five-year plan in 1981 that agriculture became the priority sector in the development strategy of the government. Prior to that the neglect of agriculture during the oil boom years of the 1970s had brought about disastrous consequences in that sector. Rapid growth of wages in the urban areas during the 1970s led to an exodus of agricultural workers to urban areas, and rendered uneconomical the production of various staple crops such as wheat and barley and export cash crops such as cotton.

Since 1981, however, partly due to deliberate government policy and partly due to the end of the urban construction

boom, these adverse trends have been reversed. The 1981-85 plan, by earmarking \$£17.2bn out of total planned investment of \$£101.5bn, gave top priority to agricultural development. It is also speculated that agriculture is likely to receive an increased proportion of investment in the next five-year plan. The outcome of this renewed interest in the agricultural sector has so far been encouraging. Output and exports of cotton have been picking up rapidly and there has been renewed interest by farmers in staple crops. The planned increase of 45.8 per cent in agricultural output is, however, unlikely to be met and the ultimate goal of self-sufficiency in agriculture seems still to lie a long way ahead.

Apart from reflecting the priorities of the government, namely armaments and agriculture, the 1985 budget is also indicative of the economic austerity that has been facing the Syrian economy since the early 1980s due to acute foreign exchange shortages. These have forced the government to follow deflationary policies in order to check the growth of imports.

The balance of payments

Since the early 1980s various factors have been combined to bring about the acute foreign exchange shortages for the Syrian economy. First, there has been a continuous decline in the total value of commodity exports since 1981. Merchandise exports dropped from \$2.2bn in 1981 to \$1.9bn in 1983, and have since continued their downward trend. This has been caused by the decline in the value of oil exports, due both to the fall in quantity and price, and of other exports such as phosphates. The decline in these two main sources of foreign exchange revenue is expected to continue in the next few years, due more to increased domestic consumption needs rather than world market conditions. Domestic consumption of petroleum products increased by 45 per cent during the 1975-80 period and is forecast to increase 140 per cent by 1990.

On the basis of these estimates and projections of possible production increases it is estimated that surplus for export will decline over time, and the policy of giving priority to agriculture will also imply increased demand for domestic consumption of phosphates in fertiliser

TABLE 3
Balance of payments, 1978-83

	(million \$)					
	1978	1979	1980	1981	1982	1983
Exports	1061	1648	2112	2230	2032	1928
Imports	2204	3055	4010	4843	3703	4152
Trade balance	-1142	-1407	-1898	-2614	-1671	-2224
Transfers	1418	2528	3294	2401	1825	1739
Other services	-272	-162	-145	-62	-405	-330
Current account	4	959	251	-275	-251	-815
Capital account	-98	-760	-494	230	158	669
Change in resources	-102	199	-243	-45	-93	-146

Source: International Monetary Fund

plants. For example, although total production of phosphates rose by 23 per cent in 1984, the quantity available for export actually dropped by 8 per cent as a result of increased domestic use.

More than 50 per cent of Syrian commodity imports are, however, financed by official and private transfers. This implies that the fluctuation in foreign transfers and aid, which by their very nature are more volatile than exports, are likely to be a more important cause of balance of payments problems. For example, between 1980 and 1983 the value of foreign transfers declined by \$1.6bn, an eight-fold decline over that in the value of commodity exports during the same period (see Table 3). Much of this decline was forced by the axing of Arab aid and transfers. In 1979 the Arab states pledged around \$1.8bn a year to support the Syrian economy and its defence efforts as a frontline state, but according to the available reports little, if any, of this is actually being disbursed. This has been due to the decline in oil revenues of major Arab oil-exporting countries, the demand for funds to back Iraq's war effort against Iran, and general Arab disaffection for Syria's regional policies.

To some extent this has been compensated for by aid from Iran, mainly in the form of concessionary oil deals. The 1983 oil deal with Iran involved the supply of 6m tons of crude by Iran which was planned to rise to 9m tons annually under

the terms of an agreement signed in spring 1984. Of this, 1m tons was to be provided free of charge and the rest at \$25 a barrel, \$3 below the official price. The value of free oil from Iran has increased from \$£696m in 1983 to \$£1146m in 1984. The difficulties facing the Iranian economy in 1985 due to adverse conditions in the oil market would bar the possibility of further increases in Iranian aid and may even lead to an actual decline in coming years.

The Syrian government has tried various options in order to alleviate the deflationary implications of the foreign exchange shortages. As noted above, one policy has been to try to boost agricultural production in order to reduce food imports and expand domestic resource utilisation of the economy. The full effect of this policy, if successful, would accrue only in the long run. A second policy has been to encourage tourism. In order to attract foreign tourists the government has been offering highly preferential exchange rates as well as launching a massive tourism investment programme. Syria's largest tourist complex is being built in the form of a holiday village at Amrit, south of Tartous. The village will be built on 100 ha of land with 2000 beds, and the Dubai-based company Arabian General Investment Corporation is to participate in the project.

Another policy has been to encourage foreign investment. The former

economics minister, Slim Yassin, who became deputy prime minister for economic affairs in the new cabinet formed on April 8, recently stressed that Syria is eager to encourage foreign investment in an address to a seminar in Geneva. The appointment of Muhammad Imady as economics minister could see fresh efforts to open up the Syrian economy. Helped by the years he has spent as head of the Arab Fund for Economic and Social Development in Kuwait, the new minister may pay particular attention to attracting Arab capital.

Compared to other developing economies the foreign debt situation of the Syrian economy is not discouraging at all. According to the World Bank, actual

disbursed outstanding debt stood at \$2660.8m at the end of 1983 and debt service in that year was \$396.4m, giving a debt service ratio of no more than 14 per cent. The value of debt service is projected to increase to \$470.9m by the end of 1985 and gradually decline thereafter. The low value of the debt-servicing obligations of the country is due to the fact that, so far, it has nearly entirely relied on grants and very low interest official loans to finance its huge trade balance deficits. The Syrian economy still crucially depends on such contributions and at the end of the day it is the political manoeuvrability of the government rather than its economic policies which, at least in the short run, could deliver the goods.

CSO: 4400/4

UNITED ARAB EMIRATES

DUBAYY IMPORT FIGURES

Dubayy KHALEEJ TIMES in English 4 Sep 85 p 13

[Text]

DUBAI's established position as a trading entity has enabled it to weather the difficulties caused by a business slump and it "was least hit by recession in the Gulf countries," Mohammed Hassan bin Al Shaikh, Vice President of the Dubai Chamber of Commerce, told his Swedish counterparts in Stockholm on Monday.

Briefing reporters here on the activities of a high-level businessmen's mission from Dubai now in Stockholm, a chamber spokesman quoted Mr Hassan as saying that Dubai, on the other hand, had the highest level of per capita imports in the world (\$5 billion annually), of which over 70 per cent were re-exported.

He pointed out at a meeting presided over by Sven Swarting, president of the Stockholm Chamber of Commerce that the Gulf region, due to its abundance of oil wealth, was one less affected by worldwide recession.

Mr Hassan said recession had only increased the competition for a bigger share of the Dubai market. Evidence of such competition was the increase

in the sources of Dubai's imports to 115 countries, and a rise in re-export destinations to 87.

"The number of exhibitions held in Dubai exceeds the total number of exhibitions held in all countries in this region. In order to strengthen commercial relations with Dubai, in particular and UAE in general, 25 countries have set up their trade centres and commercial representation offices in Dubai"

The Dubai mission dwelt at length on the Free Zone set up in Jebel Ali recently, on the facilities and scope available for joint venture there.

Mr Hassan told the Swedish side that commercial and industrial cooperation between Dubai and Sweden was "very modest." Imports from Sweden into Dubai accounted for a mere 0.006 per cent of Dubai's total imports last year.

But he asserted that there were opportunities for improving this figure, specially since the superior quality of Swedish goods was widely acknowledged in the local market.

The mission suggested that Sweden should establish a trade centre in Dubai and offered the chamber's assistance in facilitating the setting up of industries in the Free Zone.

CSO: 4400/258

UNITED ARAB EMIRATES

INDUSTRIAL DEVELOPMENT PLANS OUTLINED

Dubayy KHALEEJ TIMES in English 26 Aug 85 p 11

/Text7

ABU DHABI's steady development of its large non-oil industries was recently outlined by a report prepared by the Gulf Organisation for Industrial Cooperation (GOIC).

The study concentrated on large plants and did not cover the smaller industrial units which are working in the Emirates.

The study discussed both the Fertiliser Industries (Fertil) plant in Ruwais, and the National Chlorine Industries (NCI) plant near Umm Al Nar.

It said that both were based on sound principles being established all over the Gulf on what sort of industries should be encouraged. The Fertil plant took advantage of the availability of petrochemical feedstock, and the NCI plant of sea water.

The report said that industries in the Gulf should be based on capital intensive projects which add value to local raw materials whether they are crude oil-based or not.

The report noted that GOIC had developed a plan for a petroleum coke plant in Ruwais which has not yet moved beyond the feasibility study stage.

It said that such a plant would provide petrocake for the aluminium smelters in Bahrain and Dubai, and it recommended that it be a joint venture with Saudi Arabia and Bahrain.

Turning to the two plans which are in production, the report examined the Fertil plant first. It went into production last year and its first consignment

of 14,000 tons of sulphur was delivered to Mitsui of Japan in April 1985.

The \$350 million plant is geared to produce eventually 1,000 tons per day of ammonia and 1,500 tons per day of urea, using offshore methane as feedstock.

Adnoc has a 66 per cent share in the plant with CFP (Compagnie Francaise des Petroles) holding the rest. The plant was built by Chiyoda and Mitsubishi.

Fertil intends to concentrate in its marketing in India and China where the demand for fertilisers is high.

Turning to the NCI plant, the report said that it had a capacity for producing 52,700 tons per year of salt, hydrochloric acid, chlorine, caustic soda, and distilled water.

In 1982 production was around 32,000 tons, in 1983 36,000 tons, and in 1984 44,757 tons. Expected production for 1985 is about 46,800 tons, which will be 89 per cent capacity.

The plant is wholly owned by Adnoc, and its production is linked to demand in other industries. It has captured 95 per cent of the local market. The local market takes 75 per cent of its production.

All its exports go to Saudi Arabia, Iraq, Jordan, Qatar, Bahrain, and Oman, and these exports total at 11,000 tons.

GOIC noted that the NCI placed importance on the regional sales through links with Petroleum Industries Company (PIC) of Kuwait and Basic Chemical Industries of Saudi Arabia, whose large plant is due to be finished in late 1985.

AFGHANISTAN

GORBACHEV'S 'THOUGHTS', PLANS FOR COUNTRY EXAMINED

Kuala Lumpur ASIAN DEFENCE JOURNAL in English Aug 85 pp 82,86,88

[Article by: Colonel Edgar O'Ballance]

[Text]

By now Mikhail Gorbachev (pronounced Gor-bachov) must be settling down nicely in his office in the Kremlin as leader of the USSR, and although his attention will be taken up with many major strategic problems, sooner or later his thoughts must turn to Afghanistan, where for over five years a Soviet army of occupation has been nominally helping the Babrak Karmal regime to fight the Mujahideen Insurgency. It would be more accurate to say the Soviets are fighting the Mujahideen in the name of President Karmal, whom they brought in with them when they came, whose depleted government forces are weakly, and perhaps unwillingly, helping them.

Owing to ailing leadership in the Kremlin for the past five years, new initiatives of any sort have been scarce. The Soviet invasion of Afghanistan in December 1979, was probably the last swift, decisive initiative made by Brezhnev, before he became ill, a fact kept from his people until almost the day of his death. Brezhnev was succeeded by Andropov, who was succeeded in turn by Chernenko, both of whom died in office after short tenures, and both of whom were terminally ill most of that time.

At last the Soviets have a comparatively young, vigorous and healthy leader, who may be in power for many years, and so will be able to make changes and launch initiatives. The previous almost dormant Kremlin leadership had been stumbling along on its ideological momentum; unwilling to make changes, and lulled into complacency by American loss of prestige and strategic advantages in the Middle East since 1979, and American default in South West Asia. Gorbachev has to decide what policy to adopt towards the Afghan problem: whether to stay or go; and if to go, whether to withdraw completely or partially;

and when; or to search for some other solution suitable and beneficial to the USSR. He has to balance the advantages against disadvantages, and the profit against loss.

First of all he must re-examine the traditional Soviet attitude towards peripheral states, especially small or weak ones, and decide whether a *cordon sanitaire* of puppet, client, or friendly ones, is still considered essential to long-term Soviet security; or whether that does not matter so much any more. Despite his ready smile and well-cut Western suits, one suspects that Gorbachev is a hard-line Soviet Socialist at heart, and will stick rigidly to traditional Soviet policy, and above all will always have Soviet security very much in mind, although he may be far more circumspect in putting this into practice. The Brezhnev Doctrine, of claimed Soviet right to directly interfere in Communist States whose governments waver from the Kremlin ideological line, seems rather brash and dangerous nowadays; but Gorbachev may think of other ways to achieve this end.

Soviet armed forces are waging a ruthless war against the Mujahideen insurgents in Afghanistan, who are protesting against the Soviet military invasion and against the Soviet-supported Karmal regime. The Soviets are carrying out scorched-earth tactics to force Afghan people who do not fully cooperate with them, further up the valleys in which they live, into less hospitable parts where there is less food available for themselves and their livestock. Many have become refugees as the only alternative to starvation. Already there are almost five-million (out of an original probable 17-million) refugees in adjacent Pakistan and Iran. Only such Afghan tribes and people who collaborate with the Karmal government have its 'protection', and are allowed to remain in cities, towns and villages, and to live in the fertile mouths of valleys. Four-fifths of Afghanistan consists of mountain massifs and barren desert, uninhabitable and trackless.

A SOVIET LONG-TIME DREAM

The strategic value of Afghanistan to the USSR is great. It is a peripheral state whose southern border is only 330-miles from the Indian Ocean. It has long been the Russian dream to break through Asia to the Indian Ocean; which has become an even more important one now the Soviet Navy has become global, and in need of naval-land facilities in this region. Afghanistan is a conveniently positioned cross-roads, with one direction leading to Iran, and the opposite to Pakistan; both countries being within comparatively easy reach; should any opportunity ever present itself that the Soviets thought they could adequately exploit to their own advantage. The Soviets are, and always have been, great opportunists.

It is often said that the cost of holding Afghanistan in lives, material and resources, is too great a strain on the USSR economy, poor in itself, and that the Soviets are looking for a face-saving way to withdraw. This must be absolute nonsense. The Soviets have about 130,000 men in the country (more than the usually quoted figure) in a counter-insurgency role, as well as large numbers of aircraft, helicopters, guns and armoured personnel carriers. This represents only a tiny fraction of the

some 5.10million (JISS figures) men under arms, and the huge inventory of aircraft, vehicles and weaponry. The Soviets have not been involved in real warfare for over forty years; and service in Afghanistan is an ideal bleeding experience for officers and men, and testing ground for new weapons and tactics: the Soviet Defence Ministry would not like to lose it for nothing. Gorbachev must also consider the cost to be acceptable for the advantages it gives.

The Soviets are hard-headed bargainers, and even if Gorbachev did think it wise to withdraw from that country, it is most unlikely he would do so unless he secured in return considerable advantages or benefits. Even then he would try to retain an "influence" if he could. What could possibly be given to the Soviets to induce them to leave Afghanistan — a free-hand in Pakistan, in Iran, or in the Persian Gulf; or naval facilities in the Gulf, or on the Makran coast? In any case, who indeed would have such gifts in their pocket, or be willing to part with them?

A BALKANISING PROCESS

If the Soviets are to pull out one day they would like the country and the area to be destabilised, as a first step towards Balkanisation, working on the theory that a belt of small states would absorb their aggressive energy in quarrelling with each other, and so would be of no danger to the USSR. The Soviets would like to see Pakistan fragmented by provinces, and the present extent of Afghanistan itself reduced. Two new states at least would appear. One would be Pushtunistan, of ethnic Pathans living in the North West Frontier Province of Pakistan and the adjacent area of Afghanistan; and the other would be Baluchistan, of ethnic Baluchis, living in the Baluchistan Province of Pakistan, the adjacent Iranian province of Baluchistan Va Sistan, and those living in the adjacent part of Afghanistan. A Baluchistan government-in-exile, with a small political and administrative back-up, is being conditioned in the USSR, ready for the anticipated 'Independence Day' take-over. Fringe ethnic minorities in Afghanistan, such as Farsi and Turkomen speakers, would be given autonomous status. If Gorbachev decides to leave Afghanistan, he wants the power and capability of its central government curtailed. India might want to absorb the other two Pakistan provinces of Sind and Punjab. Who then would march to the aid of Pakistan, Iran or Afghanistan? India, for example, might even march against Pakistan.

However, the signs today in Afghanistan are that the Soviets are preparing for a long stay, and for a long arduous counter-insurgency campaign. Their camps, barracks, airfields and other establishments are fortified; they travel on the roads by day in armoured convoys, and by night not at all; they are enlarging airfields and constructing new ones. For example, a large new airfield is under construction just south of Herat, in the south-west corner of the country. When completed its runways

will take any Soviet aircraft now in service. From this airfield Soviet long-range maritime aircraft could operate far out over the Indian Ocean; while Soviet combat and transport planes would be well within reach of all parts of Iran and the Gulf area.

The Mujahideen are dangerous and prickly, frequently attack Soviet and Karmal government posts and camps, ambush convoys and cause explosions in the cities, but are generally being contained by the Soviets who take harsh reprisals ...

THE MUJAHIDEEN

The Mujahideen are dangerous and prickly, frequently attack Soviet and Karmal government posts and camps, ambush convoys and cause explosions in the cities, but are generally being contained by the Soviets who take harsh reprisals, although the Soviets themselves in the process suffer casualties, estimated to exceed 1,000 annually. The Soviet do not publish casualty lists. The Mujahideen have many disadvantages, they are poorly armed, lack a united leadership, and have little external support. Few countries have stirred themselves on their behalf. Large sectors of the habitable parts of Afghanistan have either been depopulated, or the tribes and people within them have agreed to collaborate with the authorities, so all too frequently the guerrilla 'fish' has no 'water' in which to 'swim'. Except for a few fertile valleys, unlike Vietnam, there are no forests and jungles where guerrillas can hide; and so they are largely deprived of shelter, food and information. At night infra-red and other image-intensifier devices in Soviet aircraft can detect and follow Mujahideen movement. Supplies are hard to get and arrive over hazardous mountain tracks: Afghanistan does not have a broad, concealed Ho Chi Minh Trail, nor is one really possible in the existing circumstances.

THE SOVIET FAIL-SAFE PLAN

Gorbachev's thoughts will be influenced by circumstances, and he may already have decided that to withdraw now would be foolish — but perhaps later, who knows? In anticipation of that contingency, the Soviets are operating a Fail-Safe policy. They have already sent thousands of selected young Afghans to the USSR on long training courses in the hope of imbuing them with loyalty to Moscow; to return to take up key and middle grade positions in the administration, the poli-

tical organisations, the armed forces, and to work as doctors, technicians and secular school teachers. Last year a more serious phase began, that of sending hundreds of young boys, orphaned by the war, aged ten years or so, to be educated in the USSR. They too, it is hoped, will grow up as Sovietised Afghans, and will return to their homeland as missionary cadres. It is planned to send more orphaned children to the USSR this year, and in future years. The Soviets need time to produce a generation, or at least a top-level of a generation, of Sovietised Afghans to run the country, and Gorbachev may consider the price of the Soviet occupation to be a reasonable one to achieve this end.

Mikhail Sergeiyevich Gorbachev must be fairly satisfied with what is going on in Afghanistan, and his thoughts must be that the Sovietisation processes should run their courses; and that there is no immediate call for any abrupt action or drastic change of policy. Afghanistan is far too valuable an asset to the Soviets to be thrown lightly away. Gorbachev can now turn his thoughts and attention to more insoluble problems, such as East-West arms reduction talks at Geneva, where he won't have such an easy ride by any means.

CSO: 4600/641

AFGHANISTAN

MUJAHIDIN FIGHTING SOVIETS NEAR PAKISTAN BORDER

Tehran KAYHAN INTERNATIONAL in English 5 Sep 85 pp 1-2

[Text] Elite Soviet commandos battling Afghan guerrillas fought their way to within two kilometers (1.24 miles) of the Pakistani border Tuesday as a major Soviet task force launched a new offensive against insurgents.

The Kabul regime in a radio broadcast Tuesday night said that its security forces struck a major blow against the guerrillas and killed huge numbers of insurgents.

Diplomatic sources, speaking on condition they not be identified, said Tuesday that the Soviet force appeared to be suffering hundreds of casualties as well and there was a steady stream of wounded coming into the Afghan capital of Kabul.

The Afghan Mujahideen is fighting the Afghan government, which is supported by an estimated 115,000 Soviet troops.

Afghan Mujahideen commanders said Soviet commandos had reached Ghulan Khan just across the Pakistani border in Afghanistan's Paktia Province. Artillery fire and air strikes in Afghanistan could be heard across the border in the Pakistani town of Miran Shah, they said.

Heavy fighting raged across much of Paktia Province as about 10,000 Soviet troops continued an offensive against Mujahideen supply routes used to bring arms and ammunition across the border from bases in Pakistan, they said.

"The fighting is very bad, very severe," one commander said.

Radio Kabul mentioned only Afghan government forces and did not refer to Soviet troops that guerrilla and other sources said were doing most of the fighting.

The Afghan Information Center, an independent group based in the Pakistani border city of Peshawar that monitors events inside Afghanistan, confirmed that Soviet troops had almost reached the Pakistani border.

Guerrilla reinforcements are being sent into Paktia from Pakistan and other Afghan provinces to help in the defense against the Soviet attack, guerrilla officials said. Every available man and weapon are being sent in one said.

Soviet and Afghan air force jet fighter bombers and helicopter gunships were striking Mujahideen positions in northern Paktia, the commanders said.

Hospitals Packed

Soviet AN-22 hospital planes have been flying into Kabul airport and ambulances with blaring sirens rushed wounded soldiers to hospitals, they said. The hospitals are packed with wounded Soviet and Afghan soldiers with new casualties arriving daily, doctors in Kabul said.

One report from Kabul estimated the Soviet force had suffered up to 1,000 men killed and wounded, but this had not been confirmed, the diplomatic sources said.

Mujahideen forces also are suffering heavy losses, although their commanders will not provide figures. Afghan refugee hospitals in Peshawar are packed with guerrillas wounded in Paktia and one official said almost 200 wounded had been received in the last three days alone.

On Saturday between 40 and 60 Soviet helicopter troop carriers arrived at Kabul and unloaded apparently exhausted Soviet soldiers, the sources said.

CSO: 4600/18

AFGHANISTAN

WIDESPREAD FIGHTING CONTINUES

Tehran KAYHAN INTERNATIONAL in English 7 Sep 85 p 1

[Text] In a clash with the Soviet occupying forces and government troops in 17 areas of Herat Province in Afghanistan, Afghan Muslim revolutionaries killed or wounded 37 aggressor troops while destroying five enemy tanks.

In the fighting which took place during the past two weeks, two Afghan intelligence organization personnel were killed and 11 Afghan soldiers joined the Muslim revolutionaries with their weapons. One Mujahideen commander was also martyred during the fighting.

The occupying troops, as a result of their setbacks, brought some areas of the Ghourian district under aerial, missile and long-range artillery bombardment causing the martyrdom of a number of defenseless Muslim residents and inflicting material losses

CSO: 4600/18

BANGLADESH

ERSHAD SPEAKS AT DHAKA EXPORT AWARD CEREMONY

Dhaka THE NEW NATION in English 21 Aug 85 pp 1, 8

[Text] Malaysia has agreed to reduce duty on import of Bangladesh jute carpet and take agricultural workers for which modalities have been laid down and terms and conditions set.

An agreed minutes signed in Dhaka on conclusion of the two-day meeting of Bangladesh-Malaysia Joint Economic Committee also decided to stimulate trade and diversify exports.

The meeting held in the backdrop of a huge trade balance in favour of Malaysia, 20.5 million US dollars, last year, confirmed that Malaysia has an excellent market for Bangladesh products like frozen fish, spices and jute carpets.

Leaders of the two teams, Bangladesh Foreign Secretary Faruz Ahmed Chowdhury and Malaysian Foreign Ministry Secretary General Zainul Abedin Sulong, speaking at a joint press conference at the end of the meeting, said they agreed on a number of actions directed at stimulating trade. "Private sector has a very crucial role to play (in executing the decisions)," said Mr Sulong.

"We would like to see Bangladesh exporters make aggressive promotional efforts to capture a share of the Malaysian market for their products," he added.

The meeting agreed that chambers of commerce and industries of the two countries should set up a joint committee enabling the traders and entrepreneurs to make direct and frequent contacts and look into the potentialities in the relevant field.

Mr Sulong said while issues of trade mainly featured in their discussion, the question of shipping also came up. Bangladesh side suggested that a shuttle shipping services be started between the ports of Chittagong and Penang via Singapore. The Malaysian said, however, that Bangladesh shippers might avail of the facilities provided by the Malaysian international freight booking centre.

On the question of investment in Bangladesh, the Malaysian team leader said his country itself was importer of capital. He, however, said investment through joint venture has to be seen in the context of increasing flow of trade.

The two team leaders expressed the hope that with the signing of a protocol on cultural exchange programme shortly, closer contacts between the two peoples will be established contributing to further consolidation of bilateral relations.

Foreign Secretary Mr Chodhury said that a Bangladesh week will be held soon in Kuala Lumpur to acquaint the Malaysians more with Bangladeshi products.

Earlier, the Malaysian team leader told members of the Metropolitan Chamber of Commerce and Industry that they were conscious of the trade imbalance and assured of effective measures to rectify it. He stressed the need for direct trade between Bangladesh and Malaysia instead of buying and selling through third countries.

On the prospect of joint ventures industrial field, Mr Sulong said "basically we are at a stage of discovering each other."

CSO: 4600/1712

BANGLADESH

ERSHAD TALKS WITH PARISHAD CHAIRMEN REPORTED

Dhaka THE BANGLADESH OBSERVER in English 5 Sep 85 pp 1, 8

[Text] Rajshahi, Sept 4--President Hussain Muhammad Ershad today said that announcement on indoor politics will be made after September 15, reports BSS.

He told separate meetings of Upazila Parishad Chairmen and the elite of Rajshahi Division that he has a firm belief in democracy.

With the holding of the national elections he said a democratically elected government will take its roots in the country beginning from the upazila level where democratic administration has been introduced already.

He called for a greater political consensus on major national issues for the continuity of national policies in vital sectors like political institutions economy industrial policy education policy and land system.

He said national policies cannot be framed on an ad hoc basis adding there should be a continuity of such policies and set national objectives which will be followed by successive governments for uninterrupted development of the country.

President Ershad deplored that the politics being pursued in the country was aimed at criticising the good or bad deeds of a government just for the sake of criticism this type of politics can only create hindrance in the way of national development and give rise to a negative attitude in the society he said the political philosophy of every political party in an independent country should have a positive note--that is to support the good work of a government in power and make constructive criticism of the mistakes.

The President said when every political party in the country claims to be speaking "for the people" they should see to it that their actions result in the welfare of people and not jeopardise their rights and interests.

He said many a political party speaks of democracy but its behaviour and past days in government do not bear testimony to their present utterances "Since the emergence of the nation we have heard lofty speeches and sugar

coated assurances by some parties but when such parties were in power they had ignored people's welfare.

President Ershad said a strong opposition in Parliament is essential for effective functioning of democracy.

In this context the President called for creating political stability for sustaining development and economic uplift. He said for the last three and a half years the nation had witnessed a positive approach toward development of national economy and restructuring of policies in various important national fronts like land system judiciary and administration. All these have already yielded positive results, he said.

Only stability and social discipline can ensure real development he pointed out.

Turning to the upazila system the President said with the election of upazila chairmen local administration has been totally revolutionised. He said the upazila is now a local government run by people's representative for the people.

With the elected chairman at the head of local administration as chief executive the people's participation has been ensured in the local-level planning and implementation of development programmes as well as the running of day to day affairs.

President Ershad said as the upazila system is newly introduced there may be some problems in infrastructural facilities in the initial stage. But these problems will be solved in phases after taking stock of the situation.

He said the upazila chairmen as the elected executive heads of local administration should see that the upazila system is kept above all sorts of party politics. "Your endeavour should be to win the hearts of the people by your good deeds and make best use of the fund being made available to them from the government.

UZ system To Be Further Strengthened

The President categorically assured the upazila chairmen that the upazila system will be further strengthened as this form of local administration with the active participation of the elected persons can lead the country towards its goal of attaining economic emancipation for the people and ensure rural development hitherto neglected.

President Ershad told the chairmen that the upazila manual framed for the functioning of the system will be fully implemented to enable them to discharge their responsibilities smoothly.

He said the upazila system has ended the city-based politics and now it is centred at the rural areas. As such the upazila chairmen have been vested with more responsibilities to live up to the expectation of the people and prove their worth.

Referring to the jute price the President said his Government is aware of the situation and has already allotted Taka 800 crore to ease the jute market for the benefit of the growers.

Discipline Has To Be Maintained

Later addressing the Deputy Commissioners and Superintendents of Police of Rajshahi Division at the Circuit House, President Ershad asked them to be firm and fair in implementing law and order in their respective areas. He said peace and discipline in the society have to be maintained, adding it is the basic responsibility of the administration to see to it.

In this context, the President referred to oppression on women and legal measures taken by his Government to ensure their social rights. He told the meeting that security to the women has to be provided so that they can participate in the national development activities on equal footings with the menfolk.

He said as women constitute 50 percent of the population they have to be taken along with the men in the national development activities, otherwise the national pursuits for uplift may lose momentum.

President Ershad told the district administration to give exemplary punishment to the culprits responsible to oppression on women and also to those trying to disturb social peace. He also told them to see that such cases are disposed of quickly.

He said at the same time social resistance has to be created against crimes and the people are to be made conscious about these sorts of crimes.

The President said as part of the society, the officials should also be conscious of the obtaining social condition and try their best to maintain social harmony. Otherwise the very fabric of the society may be affected.

He also spoke about the unbridled growth of population and said the population size has to be contained within a tolerable limit to sustain the development efforts.

Earlier, President Ershad briefly addressed the Ward Commissioners of Rajshahi Pourashava and a spontaneous gathering at the Rajshahi Airport which was there to welcome him.

The President was greeted by thousands of people from all walks of life, including women and students, along the route from the airport to the Circuit House. Several ceremonial arches were erected to greet him.

Works Minister Prof M.A. Matin LGRD and Cooperative Minister Major General Mahmudul Hasan Land Reforms and Land Administration Minister Korban Ali, Presidential Adviser Prof Fazle Rabbi, State Minister for Communications Shawfiqul Ghani Swapan, Deputy Minister for Industry Meshbauddin Bablu, ZMLA Zone 'B' Brig Mahmujul Hasan and Cabinet Secretary Mahbubuzzaman were present on the occasion.

BANGLADESH

TIMES REPORTER INTERVIEWS PRESIDENT ERSHAD

Dhaka THE BANGLADESH TIMES in English 22 Aug 85

[Article by Ahmed Fazl]

[Text] President Hussain Muhammad Ershad said that he has plans to allow indoor political activities in the country from the first week of September.

In an exclusive interview with the Bangladesh Times on Tuesday at the Sena Bhaban--his residence, President Ershad said that elections can be held before December provided the internal situation permitted. He said: "Inshallah, polls will be held shortly, maybe next winter."

"We have moved closer to holding polls," President Ershad said, adding that "it is through polls and democracy that Bangladesh can have long term stability, both political and economic."

President Ershad said that he believed in the politics of unity rather than in the politics of division when he was asked about the formation of the new Jatiyo (national) Front with five political parties supporting his government.

Political Consensus

"My objective is to create a broadbased political consensus and not just another bandwagon," President Ershad emphasised.

President Ershad hoped that the Front would bring about a qualitative change in the political spectrum of the country.

"Our effort will be to see that the Front is better organised so that there is national consensus on the basic issues," he said.

The basic issues before the nation are what kind of political system the country should have, the industrial policy, education system and the role of students, President Ershad said.

On the question of a schedule for election, President Ershad said that the timing would have to be such so that it did not interfere with the holding of the seven-nation SARC summit.

President Ershad said that he believed in a strong opposition for the sustenance of democracy.

"From 1972 till my government took over, the opposition had been too weak and small and virtually Bangladesh had one-party governments because of the strength of the ruling party in comparison to the opposition groups, President Ershad said.

Real Intent

On the political parties and groups that have joined the government, President Ershad said that they realised that his real intent was not to cling to power but to restore democracy and to make the "fragile foundations" of the country's political institutions stronger.

"I'm seeking everybody's co-operation in this regard and I'm happy to say that there is increasingly favourable response from all quarters," he said.

President Ershad said that he hoped the opposition parties and groups would not repeat their past mistakes and would readjust their attitude in line with the existing politico-socio-economic realities of the country.

"This time either they go for the polls or they cease to be political entities because boycotting the elections will amount to going against the wishes of the people," he said.

President Ershad said that any further poll-boycott slogan would boomerang on them (opposition parties) and they would be well advised to take lesson from the last referendum and the Upazila polls.

"They (political parties) will not be able to withstand any further backlash from the masses. They are yet to recover from their past follies and one more misstep will spell political disaster for them," President Ershad said.

He said that such a situation would be unfortunate for the nation.

President Ershad repeatedly said that there was no alternative to elections. "This much I can tell you that we have moved much closer to holding polls," he said.

President Ershad said that his government had deep moorings among the masses.

"It cannot be affected by street-politics," he said.

President Ershad said that his government was for setting up a system and not for perpetuating the hegemony of a particular person or a group.

BANGLADESH

'SLUGGISH PROGRESS' IN DEVELOPMENT SCORED

Dhaka THE NEW NATION in English 21 Aug 85 pp 1, 8

[Article by Jalal Nawaz]

[Text] The country's administrative machinery came under fire from the National Economic Council (NEC) at a recent meeting for the sluggish progress of the development activities during the fiscal year ending in June '85.

Only six percent of the projects, that is, 18 out of 311 projects earmarked for the year were completed during the first nine Months up to March last. This was the lowest compared to those in the last several years.

Presided over by President Ershad, the review meeting was attended by all members of the Planning Commission, Secretaries and Secretaries-in-Charge of all ministries and divisions and other high ranking civil and military officials.

The council observed that the officials concerned always tried to pass on the responsibilities to others for any faults and failures in the administrative process and denounced the tendency. It identified as one of the major weaknesses of the administration the lack of accountability and efficiency at all levels of the administrative machinery. The council meeting observed that in such an administrative system none could be held responsible for any loopholes or mismanagement for which the nation's social and economic interests were often seriously affected.

The NEC brushed aside the suggestions generally made by certain sections of the administration that delegation of absolute administrative and financial authority to the officials concerned was the only solution to such problems and categorically said that no solution could be achieved until the accountability of the officials concerned was fixed. The council, however, recommended that they might be given more powers after fixing their accountability and incorporating provisions for punishment for their failures.

In this context, President Ershad said 'we are all patriotic people and want development of this country. But the development activities have failed to achieve their goal despite our good will and best endeavour.'

He felt that there must have been procedural limitations which hindered the proper implementation of the projects.

The council underlined that lack of efficiency of the officials concerned was the reason behind the delay in implementation of projects. It viewed that the problem would not be solved until the efficiency of the officials was increased.

CSO: 4600/1712

BANGLADESH

PLANS FOR 7-8 DEC SARC MEETING ANNOUNCED

Dhaka THE NEW NATION in English 21 Aug 85 pp 1, 8

[Text] Elaborate arrangements will be made for appropriate projection both at home and abroad of the South Asia Regional Conference (SARC) summit scheduled to be held here on December 7 and 8, an official handout said, reports BSS.

The programmes were finalised at a meeting of the subcommittee on media and publicity held here yesterday with the Minister for Information Shah Moazzem Hossain in the chair.

The meeting decided that an essay and a photo exhibition competition among SARC countries will be organised in Dhaka before the summit. The theme of the essay is: SARC: A promise for friendship, cooperation and prosperity. The theme for photo exhibition is SARC, Friendship and cooperation.

Two cash prizes for the essay and photo exhibition will be awarded.

Special supplements will be brought out in the dailies of Bangladesh as also in the SARC countries. The summit will be telecast and broadcast live from the conference venue.

Professional and technical facilities will be available for the media. A properly equipped and furnished media centre will be set up. The centre will have a press briefing hall, press lounge, telex, telephone, typing, telegraph and postal services. It will also have radio-photo transmission and studio facilities for recording of interviews and voice cast, offices for the international wire services networks, cafeteria and other services.

The meeting was attended by senior officials of the Foreign Ministry, Information Ministry, Post and Telecommunications and heads of relevant media organisations.

CSO: 4600/1712

BANGLADESH

PAPERS REPORT VISIT OF INDIAN ENGINEERING DELEGATION

Activities on 3 Sep

Dhaka THE BANGLADESH TIMES in English 4 Sep 85 pp 1, 8

[Text] Indian credits to Bangladesh bear higher rate of interests and shorter period of repayment and these have created difficulties in utilising Indian credits, Dr Muhiuddin Khan Alamgir, Managing Director, Bangladesh Shilpa Bank (BSB) told the visiting delegation of Association of Engineering Industry (AEI) on Monday.

The visiting Indian delegation and high officials of the BSB met the BSB head office in Dhaka.

A BSB Press release said that the BSB had expressed its willingness to import industrial machinery and equipment from India if appropriate credit lines were extended and terms of credit and quality of goods were made comparable to that of other countries Dr Alamgir said that there was bright prospect of increasing bilateral cooperation between the two countries through through trade and transfer of technology.

The BSB MD and Mr Rashidul Hasan, Chairman of Industrial Promotion and Development Corporation (IPDC) who were present at the meeting pointed out the existing trade imbalance between the two countries. They observed that the trade imbalance could be narrowed down to a certain extent if India could import zamdani saree, urea fertilizer, jute carpet and other products from Bangladesh which were available at competitive price.

The leader of the Indian delegation, Mr Rajive Kaul suggested that the Bangladesh could examine the possibility of exporting surplus gas to the eastern region of India. This, he said, might help bridge the trade gap to a great extent. He also requested for exploring the possibility of exporting wet-blue leather to India.

The scope for joint venture projects like mini-cement plant newsprint manufacturing plant newsprint manufacturing plant etc came up for discussion. Both sides agreed to examine the proposals in depth.

Press Conference on Departure

Dhaka THE BANGLADESH OBSERVER in English 5 Sep 85 pp 1, 8

[Text] The Association of Indian Engineering Industry (AIEI) has submitted proposals to the Government of Bangladesh for opening its branch office and holding a trade fair in Dhaka.

This was stated by Mr Rajive Kaul, leader of the 18-member Indian industrial mission to Dhaka at a Press conference at a city on Wednesday.

The mission left Dhaka on Wednesday after completing its five-day familiarisation tour of the country. It met the government functionaries including Deputy Chief Martial Law Administrator and Minister for Industries Air Vice-Marshal Sultan Mahmud and the leaders of various chambers of commerce and industry including trade associations. It also visited the Export Processing Zone at Chittagong.

The leader of the Indian mission told the newsmen at the Press conference that the investment climate was very conducive in Bangladesh. "We are fully satisfied with the outcome of our visit which was aimed at exploring and probing into prospective areas of bilateral co-operation between India and Bangladesh particularly in the industrial sector at a time when Bangladesh is at the threshold of launching its Third Five-Year Plan," he added.

Mr Kaul stated that the response of various parties both in public and private sectors in Bangladesh to the visit of the Indian mission was very much favourable and encouraging. Our team took a very optimistic note of the pragmatic policy of the government headed by General Ershad to encourage the private sector at a rapid pace," he noted.

Object of Visit

Explaining the objectives of the visit of the Indian mission the leader of the AIEI team said that it was a familiarisation tour for strengthening bilateral economic co-operation, promoting joint venture cooperation in industrial fields and facilitating the transfer of technology. The preliminary round of discussions which the Indian team had with the Bangladesh authorities and representatives of the private sector had shown amply well that there was a lot of scope for bilateral joint venture cooperation, he added.

Replying to a question Mr Kaul said that areas like sponge iron, audio-cassettes, mini-steel plants, re-rolling plants, XLPE for underground electric cables, hand tools, machine tools, railway accessories, LPG cylinders, jute and textile machinery and parts thereof, etc. had been identified for prospective joint venture projects between the two countries.

About the proposed AIEI office in Dhaka, he felt that the office could be instrumental in sharing technology, information and know-how in the industrial fields, particularly the engineering goods and services sector.

When asked about defective supply of machinery and also the failures in maintaining the supply schedule by the Indian parties, he said that some genuine complaints were received from the Bangladesh side by the Indian mission during its current visit. Such problems, he added, can be avoided if the services of the AIEI as the reference point are utilised, proper pre-shipment inspection is made and trade is transacted through established Indian export house.

CSO: 4600/1729

BANGLADESH

CONCERN OVER TREATMENT OF BANGLADESHIS IN UK

Dhaka THE NEW NATION in English 16 Aug 85 pp 1, 8

[Text] Bangladesh is extremely concerned at the recent deterioration in general law and order situation in Britain.

Confirming reports of racial violence in London, a spokesman of the Foreign Office told ENA yesterday that Asian community in general and Bangladesh community in particular are being subjected to racial harassments of various kinds.

The spokesman said the welfare department of Bangladesh mission in Britain is fully seized with the problem and is trying to deal with it locally. He, however, stated that Bangladesh had not yet received report of any specific incident of torture and racial repression involving members of Bangladesh community.

Bangladesh government will immediately take up the matter with the British government as and when such specific cases of harassments of Bangladesh nationals are brought to its notice, the spokesman said.

When his attention was drawn to the report of racially motivated incidents in Twer Hamlets in London, the spokesman said that is the area where Bangladeshi nationals live. The report is definitely a cause for concern to Dhaka, the spokesman added.

CSO: 4600/1708

BANGLADESH

SOCIOECONOMIC PLAN FULFILLMENT REVIEWED

Dhaka THE BANGLADESH OBSERVER in English 16 Aug 85 pp 1, 12

[Article by Atiqur Rahman]

[Text] A total of 115 out of 543 projects taken up during the Second Five-Year Plan of the Socio-Economic Infrastructure (SEI) division will spill over to the Third Five-Year Plan.

Out of a total allocation of Tk 2063 crore in current prices for various sectors of the SEI Division projects, only Tk 1968 crore was made available through Annual Development Programmes during the five years. It is estimated that the total spillover cost of the 115 projects will come to Tk 1402 crore.

This was revealed in a review made by the Planning Commission on the SEI Division projects taken up during the Second Five-Year Plan period.

A total of twelve sectors are under the SEI Division. These are: education and religious affairs, health, population control and family planning, social welfare, mass media, women's affairs, youth development, sports, culture, public administration, manpower and labour, scientific and technological research.

Moreover, 35 projects under various sectors of SEI Division were taken up during the last two ADPs as technical assistance projects.

The official review further reveals that an amount of Tk 905 crore would be required as spillover cost for the Education Sector alone. The details of the review show that some of the spillover projects have been staggering event from the First Five-Year Plan period. The cost of these staggering projects constitute almost 71.23 percent of the total funds made available during the plan.

According to the review, the high number of spillover of projects was because some very large projects of sizable financial dimension were taken up late during the terminal years of the plan leaving virtually the entire work of project implementation to be done during the next plan period.

The cost of the projects to spill over to Third Five-Year Plan was estimated taking into account the cost escalation factors.

The Planning Commission review further said that even if funds provided to various sectors through the ADPs of different years of the Third Five-Year Plan remain more or less at the level of Second Five-Year Plan, there would not be much scope for including new projects. The scope of inclusion of new projects and programmes would be further reduced if revision of the major spillover projects enhancing their scope components and cost becomes necessary.

Listing the causes of spillover of projects of different sectors of the SEI Division it is said that some additional projects were included after formulation of the list of projects under SFYP and a number of such projects were not at all taken up for implementation.

Of the total fund made available during the plan period, the extent of utilisation was Taka 1783 crore. Projects numbering 366 were completed during the plan period at the above cost. However, the utilisation is 90.58 percent of the resources made available. A total of 62 projects were dropped or deferred after some expenditure during the early years of the plan.

Moreover, the 35 projects implemented under the ADP of the last two years of the plan period as technical assistance projects cost Taka 6.14 crore. Of these projects 14 could be completed by June last.

The review further said that although the projects under annual technical assistance programme were of short duration, implementation of these projects was slow. The causes of this slow progress was due to delay in availability of project aid and procedural bottlenecks leading to late start in any cases.

CSO: 4600/1707

BANGLADESH

REPORTAGE ON CONFERENCE OF JUSTICES, MINISTERS

Gandhi, Home Minister Open Session

Bombay THE TIMES OF INDIA in English 1 Sep 85 p 1

[Text] New Delhi, August 31 (UNI & PTI)--The Prime Minister, Mr Rajiv Gandhi, today called for innovations and borrowing experiences of other countries to evolve a more dynamic judicial system. "In many countries justice is imparted in a much shorter time than we are able to do," Mr Gandhi said while inaugurating a two-day conference of chief justices of high courts and state chief ministers and law ministers.

Several suggestions were thrown up by the chief ministers to ensure speedier justice and to make the judiciary more efficient. These included restricting the scope of Article 226 and 227 of the constitution to reduce the workload of high courts, separating the investigating agency from the law and order agency and increasing payscales to attract competent men to the profession.

Speedy Justice

Mr Gandhi said India could be proud of its laws which had been framed with "great vision and depth" and of having "one of the most independent judiciaries anywhere in the world."

But he regretted that these laws could not be implemented in the desired manner, specially laws affecting social problems, like untouchability and equality of women.

He said the conference would explore ways to remove road blocks in the way of speedy justice. "And in this there was no room for any conflict between the government and the judiciary," he said.

Mr Gandhi said a set of judicial reforms must be drawn without delay.

The Prime Minister said financial litigation in the courts amounting to thousands of crores of rupees had held up implementation of development programmes including those relating to removal of poverty.

He reminded that such delays actually damaged the democratic framework which held the country together.

Mr Gandhi pointed out that another crucial problem was the question of accessibility of courts to the ordinary citizen from the point of view of distance.

He asked the conference to consider increasing the number of benches of a court for quicker justice.

He also underlined the need for evolving some methods by which justice could be rendered without going into details of each case or getting bogged "into political or legal-political arguments."

The Prime Minister made it clear that the government would adhere to the policy of appointing high court chief justices from outside the state as recommended by the law commission and eminent jurists.

"We have found in past years that it has worked and the advantages are definitely more than the disadvantages."

I.P.C. Amendment

The Union home minister, Mr S.B. Chavan, who also addressed the conference disclosed that the government was considering certain amendments to the Criminal Procedure Code and the Indian Penal Code with a view to affecting changes in the law to remove procedural difficulties and to rationalise punishment provisions.

The chief justice of India, Mr Justice P.N. Bhagwati, urged the government to set up mobile courts and Lok Adalats in rural areas for speedy disposal of cases.

He suggested setting up of appellate labour tribunals with regional benches which, he said, would considerably reduce labour cases in the high courts and the supreme court.

Stressing the need for having administrative tribunals in the country, he said this would ensure quick disposal of service matters affecting the Central government employees.

The Maharashtra chief minister, Mr Shivajirao Patil-Nilangekar, suggested restricting the scope of Article 226 and 227 (writ petition) of the constitution to reduce the workload of high courts.

Mr Nilangekar said it was an extraordinary remedy in the interest of justice. Ordinarily the high court should not exercise its powers of issuing writ until an aggrieved party had exhausted alternate legal avenues.

Resolution Reported

Bombay THE TIMES OF INDIA in English 2 Sep 85 p 1

[Text] New Delhi, September 1--The two-day conference of chief justices, chief ministers and state law ministers today concluded after unanimously adopting a 17-point resolution seeking to give justice "easily and quickly" to the common man and eliminate the arrears in all the courts with utmost speed.

Briefing the press at the end of the conference, Mr Asoke Sen, Union law minister, said an effort would be made to eliminate all arrears in the courts in the next five years.

Mr Sen said socio-economic justice, promised in the constitution, should become a "reality in our lifetime."

The resolution has recommended steps to be taken by the state governments, high courts, the supreme court and the Central government to eliminate the arrears. These include setting up of a working group from amongst the chief justices and chief ministers which would advise the judicial reforms commission in matters pertaining to reforms in the civil and criminal procedure codes.

It recommended the setting up of mobile courts to meet the needs of the rural population and strengthen village and tribal councils wherever they exist. For mobile courts, Parliament would have to pass an appropriate legislation. The institution of lok adalats should also be placed on statutory basis and should be included in the national legal services law proposed to be passed by Parliament.

The participants of the conference would meet again to review the situation on October 5 after studying the feasibility of the various recommendations made by the resolution.

The resolution said the state governments should increase the number of courts and augment the strength of judges. Vacancies in the posts of judicial officers, belonging to the subordinate judicial services at all levels should be filled up without delay and not later than three months of the occurrence of the vacancy.

The chief justice, Mr P.N. Bhagwati, the Union minister of state for law and justice Mr H.R. Bharadwaj, the Orissa chief minister, Mr J.B. Patnaik, Mr D.D. Thakur, acting chief minister of Jammu and Kashmir, Mr Justice Satish Chander, chief justice of Allahabad high court, and Mr Justice P.D. Desai were associated with the drafting of the resolution apart from Mr Asoke Sen.

The resolution further said whenever the public service commission of a state is called upon to select candidates for appointment to the subordinate judicial services, a sitting judge of the high court nominated by the chief

justice of the high court, should be invited as an expert and the advice given by him should ordinarily be accepted.

It recommended the setting up of an institute of academy for training judicial officers to be set up by Centre with the chief justice as the chairman. The functioning of the institute should be under the supervision of a governing body to be constituted in consultation with the chief justice.

Tribunals for Staff

It is desirable that state services tribunals should be set up with appellate benches in regard to service matters relating to the employees of state governments and state public sector corporations. For this purpose, necessary steps should be taken by the state governments in accordance with the provisions of the Administrative Tribunal Act.

The state governments in consultation with high courts should appoint special magistrates under sections 13 and 18 of the Code of Criminal Procedure for the purpose of disposing of cases relating to offences under the Motor Vehicles Act and other petty offences not involving imprisonment or a fine exceeding Rs 1,000.

The resolution recommended that leading members of the bar may be invited to act as additional judges of high courts and district courts for a temporary period not exceeding two years, as may be considered necessary.

There should, as far as possible, be a standard pattern or patterns of court buildings at various levels in the country. The modalities for determining the pattern should be placed at the next joint conference. The nature of participation of the Central government in such plan of action shall be discussed at the next joint conference.

Court Facilities

Every high court should be provided with telex facilities. State governments should provide telex facilities for each district court in a phased programme. Modern electronic or electrical appliances, such as photocopying machines, shall be supplied to each high court and also to district courts in a phased programme. Where the strength of judges in a high court is more than 20, word processors shall be supplied.

The consensus of the conference was that salaries and emoluments and conditions of service of high court judges need substantial improvement and the Central government and the J and K government would undertake necessary legislation on the lines proposed by the conference of chief justices and discussed at the joint conference.

The conference was of the view that salaries and emoluments of the subordinate judiciary at all levels and their service conditions need considerable

improvement. Residential accommodation, both during their term of office and after retirement, as also provision of staff cars and other means of transport need to be provided.

The conference unanimously resolved that the National Legal Service Act should be passed as early as possible so that legal aid to the common man and the needy and the deprived becomes a reality.

CSO: 4600/1727

BANGLADESH

BRIEFS

FOREIGN HIRING REGULATIONS--Employment or engagement of foreign nationals and establishment of branch or liaison offices by foreign companies or firms in Bangladesh is subject to prior approval of the government, says an official source. Government has noticed with concern that local as well as foreign companies or firms or industrial units employ or engage foreign nationals and open office in Bangladesh on their own accord without prior permission of the government. They seek government permission only when they are refused extension of visa by the Immigration Authority. It poses problems for all concerned. With a view to enforcing discipline in the field of employment or engagement of foreign nationals and opening of branch or liaison offices in Bangladesh, local as well as foreign companies or firms or industrial units under private sector have been directed to submit applications at least three months ahead in the prescribed form. The prescribed forms will be available with the office of the Director General, Department of Industries, House Building and Finance Corporation (HBFC) Building, 22, Purana Paltan, Dhaka. Necessary permission will be issued after proper examination by the Standing Committee constituted for this purpose. No permission under any circumstances will be issued to those who will seek government permission after employment of foreign national or establishment office. Government may also take any other action as deem to be fit for unauthorised employment of foreign nationals and opening of offices by foreign firms or companies or industrial unit or individual in Bangladesh. [Text] [Dhaka THE NEW NATION in English 21 Aug 85 pp 1, 8]

NATIONAL TRAINING COUNCIL--The government has reconstituted the National Training Council with Food Minister Maj Gen Mahabbat Jan Chowdhury as its Chairman, reports BSS. The Additional Secretary Ministry of Establishment will be Member-Secretary of the Council. The Council has been entrusted with the responsibility of formulation of national training principles, fixing up priority and allocation of funds accordingly. It will also determine the relationship of the economic development process and public administration with the present education system and training. The 29-member reconstituted council includes Minister for Health and Population Control, Minister for Agriculture, Minister for Local Government, Rural Development and Cooperatives, Minister for Labour and Manpower, Minister for Social Welfare and Women's Affairs, Adviser to the Ministry of Establishment, Principal Finance Secretary and Finance Adviser, Governor, Bangladesh Bank, Chairman, University Grants Commission, and Vice Chancellor, Bangladesh, University of Engineering and Technology. [Text] [Dhaka THE NEW NATION in English 20 Aug 85 pp 1, 8]

INDIA

BRIEFS

RAJIV TRAVEL PLANS--London, Sept 4 (PTI)--The Prime Minister, Mr Rajiv Gandhi, will pay a two-day official visit to Britain from October 14 in response to an invitation from the British Prime Minister, Mrs Margaret Thatcher. Mr Gandhi is expected to have wide ranging talks with Mrs Thatcher before leaving on October 16 for the Bahamas to attend the Commonwealth heads of government meeting. Details of his programme in Britain are being worked out, authoritative sources said today. [Text] [Calcutta THE TELEGRAPH in English 5 Sep 85 p 1]

PROBE INTO SPYING--Calcutta, Sept 1--The Prime Minister, Mr Rajiv Gandhi, in a letter to a CPI MP, Mr Gurydas Dasgupta, has said he had directed the minister of home affairs and agriculture to look into allegations that some foreign vessels ostensibly engaged in fishing were carrying on espionage activities near the Indian coast. In a letter to the Prime Minister, Mr Dasgupta had said that some foreign vessels chartered in Singapore and Taiwan "which are the stooges of US imperialism," fitted with the latest electronic devices and equipment often came near sensitive areas on the east coast where the Sriharikota rocket centre and other defence installations are located. He had urged Mr Gandhi to prevent these vessels from coming anywhere near this area and also from operating within 40 fathoms of the coastline. [Text] [Calcutta THE TELEGRAPH in English 2 Sep 85 p 1]

AMBASSADORIAL APPOINTMENTS--New Delhi, Aug 30--Mr A.S. Chib, India's ambassador to Iraq has been appointed Ambassador to Switzerland in place of Mr Thomas Abraham. Mr R.K. Anand, Ambassador to Senegal, has been appointed Ambassador to Norway in place of Mr K.N. Bakshi. Mr Nigam Prakash, Minister Counsellor in the Indian Embassy in Iran has been appointed Ambassador to Zaire. Mr P. Prabhakar Menon, Ambassador-designate to Senegal has been concurrently accredited as High Commissioner to Zambia with residence in Dakar.--UNI [Text] [Madras THE HINDU in English 31 Aug 85 p 6]

CSO: 4600/1728

IRAN

BURHANNUDDIN RABBANI GIVES VIEWS ON VARIOUS ISSUES

Tehran KEYHAN in Persian 24 Aug 85 pp 20, 17

[Text] Mr Rabbani, the disputes among the Afghan Mojahedin are no secret to anyone. Could you explain what has given rise to them?

I do not think that the differences of opinion among the Mojahedin groups are basic or fundamental. It is not as if one group is leftist and another is rightist, because all Mojahedin groups acknowledge Islam as their path and their goal. There is no doubt, however, that the existing differences among the groups go back to the manner in which some of them were formed before the Soviet invasion began. Before the Davud Shah coup d'état, these groups sought to establish an Islamic regime. Therefore these organizations, in terms of forces, resources, composition, organization, and their manner of dealing with events, naturally differ from groups who proclaimed themselves after the Soviet invasion.

Previous circumstances and the events and history of the past are seen as another reason for these differences. Of course, it must not be left unsaid that there are personal motives which play a role of some importance in sowing discord. There are also people involved who openly or secretly strive to create discord, and sometimes mistakes may be made which themselves create discord. It must also be said that differences of viewpoint concerning international and local events themselves play a part in creating differences among the Mojahedin groups.

Does the money that is given to the Mojahedin as aid play a part in causing disagreements?

There is no doubt that this is also one of the factors in the existence of disagreements, because some combat groups live at the fronts in severe deprivation. People in these groups consider it their right to have a share of this aid. Thus, when they are faced with deprivation, this in itself is a factor in causing disagreements.

Why did the previous union of groups fail to achieve its goals, and moreover, what are the goals of the new union?

I think, since the beginning, all of the people active on the scene have inevitably been in agreement on the question of unity. Likewise, despite differences of opinion and viewpoint, there are also factors which promote unity. We see it as a necessity to establish a strategy of unity within Afghanistan, and that military activities be coordinated in order to face the enemy. In addition, the positions of all must be the same on international issues. Furthermore, an individual or a committee is a spokesman for the Mojahedin on the international scene. The reason for the previous failure of the union is the failure to see reality, because anyone who fails to accept reality

has no chance to survive. The subjects and issues in the former union needed improvement and reexamination. For example, the Majlis did not represent all Afghan organizations and groups. Likewise, efforts were made to impose some particular new person or group on the union without, ignoring the rest of the organizations in the union. Furthermore, no efforts were made to promote unity and strengthen and support the groups and organizations. It must also be added that the other groups in the union were not so unimportant that they could be pushed aside with a small amount of pressure or economic and financial deprivation. Therefore, the reason for the failure of the former union is that a decision had been made that its goal was to create a new method. This decision had been made by special individuals and groups. On the other hand, another reason for the failure of the former union is that the Mojahedin had no program for supporting and protecting the fronts, and even in the former union there were no visible activities for fulfilling the role of the union itself at the fronts. While the combatants had a severe need for help, the union did not react in any way to the requests of the Mojahedin. The goals of the new union, however, are first to establish domestic military unity and a united political front abroad, and second to study the cultural and political needs at the fronts, to see to the needs of the Mojahedin, and so forth.

Does this mean that you have realized the necessity of political action along with an armed crusade?

Yes, political action must take place at the international level.

With the existing differences among the Mojahedin groups, would you be capable of running the country in the event of a Soviet withdrawal?

Before Afghanistan is liberated, the brothers must resolve their internal differences, and work for unity. I do not believe that this is impossible. Some people used to view the formation of a union such as the current one as an impossibility. Likewise, I believe that the Afghan Muslim nation, which is engaged in combat in its homeland, will not allow any superficial, personal, or non-Islamic development to play with the fate of the Muslims in Afghanistan after the enemy is expelled.

I am very optimistic that before Afghanistan is liberated, we will find a solution to this problem. Our position must be one, and we will then be victorious with the help of God.

It is said that there has been progress in the Geneva negotiations towards a peaceful solution to the Afghanistan problem, especially in connection with international guarantees. What is your view of this, and furthermore, if the two negotiating parties in Geneva find a peaceful solution, are you bound to international guarantees?

We have always found that the two parties negotiating in Geneva are optimistic. United Nations delegate Kurduz said that 95 percent of the agreement had been completed, while we were thinking that he had nothing to say. I have always believed, however, that these negotiations are without foundation, because the real representatives of Afghanistan are not participating. For this reason, as long as they are not participating, these negotiations will achieve no results. Therefore, if they do achieve a result, we will still adhere to the goal for which we are fighting, as well as the interest of our own nation. Thus, if they reach a solution that conforms to our principles, we will accept it, but if they reach a solution that conflicts with our goals and the goals for which our nation is fighting, we will reject it entirely.

Some say that America has stolen the Afghan crusade and is using it to achieve its own objectives in the area. To what extent is there truth in this view?

The crusade in Afghanistan is not the property of some orphan that America or someone else can steal. Our crusade has arisen out of the faith of the Afghan nation in order to liberate the country and establish Islamic rule. No one has the right to call himself the guardian of the Afghan nation and deprive it of its faith.

Is it possible that the differences among the Afghan Mojahedin were created and fomented by America in order to keep them occupied?

I hope that the new union will give the Mojahedin an opportunity to resolve their differences. Furthermore, I believe that if the new union is given material and moral support from sincerely interested parties, it will be able to face its difficulties.

Can a solution be found to the Afghanistan problem without approval from the superpowers?

There is no doubt that the superpowers are partially a party to the current struggle, and the other large countries also want to play a part in this issue. The "large" countries want a part in this issue to protect their own interests, but we have faith that all things are in the hands of Almighty God. Therefore, under present circumstances we have an obligation to work to resolve the problems among ourselves. This effort of ours is contrary to the interests of the superpowers, but if we maintain our connection with Almighty God, He will open the way to solving the problems. Concerning how to solve the Afghan crisis without the superpowers, it must be said that if the Islamic nations get together for the purpose of resolving this crisis no superpower can stand in their way. If the Islamic nations realize their power and their special position, they will undoubtedly be able to resolve the Afghan crisis without the large countries.

The Soviet Army in Afghanistan relies chiefly on its air force, and if the Mojahedin obtain anti-aircraft rockets, they will be able to achieve an important victory. Why haven't they obtained these rockets?

There are various difficulties facing the Mojahedin. So far no one has sincerely addressed our situation so that the Mojahedin can obtain what they want. There may be ways to smuggle arms, but where can the money be obtained?

This is the major problem that in itself prevents the Mojahedin from obtaining the arms they need.

Can't the government of Pakistan obtain these rockets for you?

There is no doubt that the government of Pakistan has its own special problems, and we praise the government and nation of Pakistan, because they have endured and endure many problems for our sake. Today the Soviet Union attacks them because of us, bombing their villages and cities. Therefore we must not place a load on Pakistan that is greater than its capability and capacity.

As a final question, what is the situation of the Mojahedin within Afghanistan and the situation at the fronts after the intensification of the Soviet attacks?

There is no doubt that there are numerous problems troubling the Mojahedin. There is hunger in many places, and general economic and nutritional problems. The Mojahedin are also short of arms, and there are numerous social problems. Despite this, however, the Mojahedin have achieved great victories and they are still dealing severe blows to the Soviet forces. They achieved astonishing victories in Panjshir, Herat, Mazar Sharif, Badakhshan, Kenar, and Baktia. On 27

Ramadan [17 June] especially the Mojahedin were able to rout the Soviet forces at Bashfur in the Panjshir valley, making prisoners of 115 officers and 350 enlisted men and capturing many arms. Then when the Russians tried to react, the Mojahedin were able to burn 60 Soviet vehicles, shoot down three aircraft, and kill 50 commandos. The Afghan nation, however, is tormented by constant domestic killing, and this has its effect on the Mojahedin, who are unable to give any help to the brothers domestically or abroad.

AL-'ALAM, London, translated by KEYHAN's Foreign Service

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CSO: 4640/735

IRAN

KARACHI PAPER COMMENTS ON ICO MEETING ON IRAN-IRAQ WAR

GF121650 Karachi MASHRIQ in Urdu 9 Sep 85 p 3

[Article by Dr Abdussalam Khorshid: "Solution of the Iran-Iraq War Will Be Found"]

[Excerpt] Mr Sharifuddin Pirzada, ICO secretary general, has revealed that the 12 September meeting of the ICO Good Offices Committee [in Jeddah] will last for 3 days. It is being held to find a solution to the Gulf war.

Sir Alhaji Dawda K. Jawara, president of Gambia, will chair the meeting and the presidents of Pakistan and Bangladesh, Yasir 'Arafat, and the prime minister of Malaysia also have promised to participate in the meeting. Turkey, Guinea, and Senegal also may send high-ranking representatives.

Mr Sharifuddin Pirzada has expressed the hope that the committee will be able to put forward some solid recommendations on the bases of Islamic principles and international law. However, the suggestions which may be tabled at the Jeddah conference cannot be forecast now, he said. In answer to a question as to why the organization has not named which party has committed the aggression, he simply said: "We wish to end this dispute," and did not give a proper reply.

The person who wanted the ICO to name the party responsible for starting the war does not appear to be an intelligent student of international politics. Such wars do not end by unilateral declarations. In such wars the principle of give and take should be adopted. The people who are trying to bring peace between Iran and Iraq should know that this is an ideological war. On the one hand, Iran says that it is a war of Islamic revolution ideology, while on the other hand, Iraq considers it to be a war of socialist Ba'thist ideology. Whoever wins, the results will be far reaching. It seems to be on this account that the Arabs want the war to continue. They want to see the war prolonged to such an extent that both parties concerned get so bored that they forget their ideologies. If you look closely, you will find that both the Western arms dealers and some leaders of the Arab countries seem to be thinking along the same lines.

Every Muslim hopes that the ICO Good Offices will put forward such solid and constructive proposals that they should at least result in a cease-fire and

talks on the bases of these recommendations. Several efforts in this respect were made in the past; this will be their eighth effort. At present there appear no signs that there will be a cease-fire. It is quite possible that the parties concerned are by now thinking that since there is no hope of a victory, why should the war continue?

There are experienced politicians on both sides and it is quite possible that they too have realized by now that they are simply wasting their resources. If this is so, why fight?

It often happens that long wars cause internal revolutions in those countries at war by people wanting peace. There are no reports of such internal disturbances, but we must take into account the censorship on news reports. Sometimes we hear through news agencies of such unrests, but in any case there are no reports available on the strength of such elements who want peace.

Those who consider it only an Arab-non-Arab war too are in the wrong because countries like Syria, Libya, and the PDRY support Iran, which proves that there is a rift among the Arabs. This is a good sign, because it is dreadful to think of an Arab and non-Arab war. Pakistan is a big non-Arab country and is neutral in this war. It has always been trying for an understanding between the warring countries.

CSO: 4656/167

IRAN

SOVIET POLICY ON IRAN-IRAQ WAR DISCUSSED

Kuala Lumpur ASIAN DEFENCE JOURNAL in English Aug 85 pp 88-91

[Text]

Sitting in his Kremlin office suite and gathering the reins of power, Mikhail Gorbachev faces many problems, one of which is the on-going Gulf War between Iraq and Iran on his southern doorstep. Usually 'small wars' in different parts of the world are regarded by the Soviets as opportunities to stir up destabilisation, which they hope will be to the disadvantage of the West, and work to their own advantage. Thoughtfully eyeing the Gulf War confrontation, Gorbachev is not so sure he likes what he sees, or is pleased at the way his predecessors in Office — Brezhnev, Andropov and Chernenko — have handled the situation. He is perhaps thinking, "I must do better."

Gorbachev's deduction obviously is that in the short-term the Iraqis can continue to hold off Iranian assaults, but in the long-term the odds must favour Iran. Gorbachev must be pondering how to turn the Gulf War, or in due course its result, whatever that may be, to his own advantage. He would like to have a firm foot in both camps. Also, Gorbachev would like to see the aged Ayatollah Khomeini disappear from the political scene, as his fiery brand of Islamic Fundamentalism is beginning to have an unsettling effect on the Soviet Union's Muslim populations in the adjacent Soviet Central Asian Republics, and on Muslim conscripts in the Soviet Armed Forces. Looking at his wall map of South-West Asia his thoughts must stray towards the northern Indian Ocean coastline and the Persian Gulf; and the strategic advantages they could afford.

THE GULF WAR

To refresh memories — in September 1980 Iraqi Armed Forces invaded the oil-rich Iranian province of Khuzistan, making initial gains against disorganised para-military groups that had mushroomed during the Khomeini Revolution. Thinking the moment opportune to take advantage of Iran's military weakness, President Saddam Hussein of Iraq had hoped to pres-

sure the Iranian government into amending unfavourable conditions in the 1975 Algiers Agreement that mainly dealt with demarcation and navigation rights along the 100-mile Shatt al-Arab waterway, the confluence of the Rivers Tigris and Euphrates.

The Iranians slowly recovered, organised themselves a little better, and gradually pushed the invaders backwards. And the present situation is that, with minor exceptions, opposing forces are back again on, or near, their own mutual international frontier. Fighting has bogged down in a heavy stalemate. Iraq has intimated it is amenable to discussing a cease-fire, but Ayatollah Khomeini, the *de facto* leader of Iran, first demands the removal of President Saddam Hussein from office. The power struggle between the two leaders is deadlocked.

SOVIET BRINKMANSHIP

Obsessed as always with national security, Moscow governments have over the years been deeply concerned with peripheral countries, especially if small and weak, working to turn them into puppet or client ones, or at least to persuade their governments to be friendly and anti-Western. When the moment is opportune this policy can include the use of military force, as was the case in Afghanistan. The Kremlin leaders are cold, but cautious, pragmatists, who have no intention of being drawn into a World War III by any Arab State, as has been shown by their actions during the 1967 and 1973 Arab-Israeli Wars.

Arab States are not peripheral to the USSR, but the Kremlin leadership recognises the vital strategic importance of the Middle East region, and that paramount Soviet influence there would be desirable. But the price of this ambition is severely tailored to the risk of clashing with American troops in combat, either accidentally or otherwise. For example, the vital firing mechanism of the Soviet SAM-5 missiles sited in Syria -- even though in May this year Syrian personnel took over from Soviet technicians manning them -- are computer-controlled from the Soviet Union. No doubt Gorbachev will continue with his predecessors' policy of pushing as far as hard as possible, but halting at, or drawing back from, the brink of disaster in the nick of time.

The Soviets consider the Middle East and the Persian Gulf to be 'grey areas' in which Gorbachev sees American diplomatic and strategic influence fast fading, but its military capability increasing dangerously, in the form of the US Central Command or CENTCOM (formerly the US Rapid Deployment Force). Soviet strategic influence in these regions has never been really strong, despite American allegations. It has, in fact, always been at a fairly low level, with Moscow currently providing arms to Libya, South Yemen, Syria and Iraq, and trading with as many

Arab States as possible. Generally, the Kremlin leadership considers Arab States to be mercurial and unreliable, and Arabs generally to a degree incompetent in handling Soviet weaponry. To Gorbachev, Arab Iraq could be expendable; but Persian Iran is a different matter. Iran is a peripheral country of the utmost importance to the Soviet Union, which is why Gorbachev's thoughts are troubled.

SOVIET POLICY ON THE GULF WAR

In February 1979, all manner of diverse parties and factions, some backed by the Soviet Union, briefly united to oust the Shah of Iran, and to install Ayatollah Khomeini in his place, the concurrent violent revolution destabilising the country almost to the point of anarchy. Once in power, Khomeini successively turned on his former left-wing and secular supporters, launching his Pasdaran (Revolutionary Guards) against them on the streets of Teheran and other major cities, until they were crushed, or disappeared underground.

When the Iraq-Iran War began the Soviets ceased supplying military material to both countries, but tried particularly to ingratiate themselves with the Khomeini regime, mainly through the Tudeh (Communist) Party, which for a while had some considerable influence with the Ayatollah. The Tudeh Party, established and sponsored by the Soviets during their World War II occupation of part of Iran, survived the Revolution for many months unscathed. Its turn came in May 1983, when it was proscribed, many of its leaders executed and others imprisoned, while others fled abroad and the organisation was driven underground, where it still exists. This was the last straw for President Andropov, causing him to abandon Iran, and to resume arms deliveries in quantity to Iraq; which enabled Iraqi Armed Forces to hold off the Iranian massed "human wave" attacks of 1983-5.

POLITICAL STRESSES AND STRAINS

Analysing the competing political stresses and strains in the region, Gorbachev notes that both Iraq and Iran want to dominate the Gulf, and that neither will willingly share control of it with the other. The Arab Gulf States want the conflict to continue in a protracted way to weaken the two local "military giants"; either of which, if victorious, would turn and seek further fields to conquer, and that would include themselves. Although the USSR and Iran are traditional enemies, they have always carried on a considerable volume of cross-border trade, and even today despite extremely strained relations, Iran barter some 60,000 barrels of oil per day for Soviet goods, mainly food. Gorbachev notes that the Iranians fear American threats and activities more than those of the Soviets; and that the Iranians have recently made friendly overtures to Moscow.

GORBACHEV'S EXPANSIONIST THOUGHTS

In addition to his ambition to 'Balkanise' much of South West Asia, Gorbachev also has ambitions to expand Soviet global influence, and would like to obtain naval facilities along the Indian Ocean's South West Asian seaboard, and into the Persian Gulf. Should Iraq emerge dominant from the War, President Saddam Hussein would be unlikely to compromise his position with the West by allowing Soviet warships to use his ports; but then neither would Iran willingly give such facilities. Gorbachev must be thinking that perhaps a bargain could be struck with Iran of 'guns for port facilities', that country choosing to co-operate with the USSR in self-protection against American threats.

INTERNAL STRESSES

On the surface at least the internal situation in Iraq seems to be fairly stable, and the country generally united behind President Saddam Hussein in his prosecution of the war against Iran. The most significant fact has been that the some six million Iraqi Shiites, inhabiting the Eastern Provinces adjacent to Iran, have ignored Khomeini's call to them to rise up against the Baghdad government and join his Islamic (Shiite) revival movement. Terrorist acts still occur, but with less frequency than formerly. Also, the Kurds in northern Iraq, usually openly rebellious, have been fairly quiet; and the anti-government Communist elements contained.

On the other hand Gorbachev sees the internal situation in Iran as less stable, with anti-Khomeini and anti-government groups seething underground. Terrorist explosions occur almost daily; for example, in March this year, a bomb exploded when the Iranian President, Ali Khomeini, was giving a sermon at a religious gathering, killing six people and injuring others. April was a month of demonstrations and disturbances in the main Iranian cities, with the Pasdaran and police using armoured vehicles and helicopters to disperse mobs. The 1,600-strong 'Musa Ben Jaffa' Pasdaran brigade was hastily airlifted from the Front to try to stabilise the situation in Teheran, where there was some loss of life.

Also, the five million Kurds in north-west Iran are in an almost constant state of rebellion against the central government, as are Baluchi elements in the south-eastern part of the country; both of which require several thousand regular and Pasdaran troops, diverted from the main battle Front, to contain them.

GORBACHEV'S MUSLIM PROBLEM

Gorbachev has a big Muslim problem, one not always fully appreciated by the rest of the world. There are about 43 million Muslims in the USSR (about seventeen percent of the present population), mainly concentrated in the Soviet Central Asian Republics, having their own language (mainly Turkic), religion, customs and culture. Their birth-rate is increasing faster than that of the majority Slavic population, and it has been estimated they may number about 64 million by the year 2,000 when they would form twenty-one percent of the total population.

Forced into the Imperial Russian Empire in the 19th Century, these Muslims generally regarded the Moscow government with hostility. After the chaos of the Russian Revolution of 1917, the Red Army was sent out to re-subjugate them, and in the following year, for example, sacked the city of Kokand, where an independent local Muslim government had established itself, killing over 5,000 people. The so-called wide-ranging Bashmachi Rebellion was not crushed until 1927. On the divide-and-rule principle, the Turkic-speaking peoples in the Central Asian region were formed into five autonomous republics of Uzbekistan, Kasakaistan, Turkomenistan, Kirghistan and Tadzhiistan. Soviet territory borders that of Iran at two points on either side of the Caspian Sea; on the east side of which lies Turkomenistan, the western-most of the Muslim republics.

The Muslims were subjected to anti-religious propaganda, education was secular such as it was, as were the Courts, and no breaks were allowed for the five-times daily prayers, but otherwise they were largely ignored and neglected. A few Sovietised Muslims became minor officials and administrators, and a few were commissioned into the Armed Forces, but none reached general rank, and only a few made colonel. The Soviet officer corps is seventy percent Russian, the remainder being mainly Belorussians and Ukrainians.

Muslims conscripted into the Armed Forces immediately had a language problem, one authority asserting that up to forty percent of them initially could either not speak Russian at all, or only had an imperfect knowledge of it. This handicap, together with being disadvantaged educationally, meant that Muslim conscripts lagged behind their Slavic comrades, who tended to look down on them. Their chances of serving in specialised units, or of promotion, were relatively poor. Slavic officers treated them contemptuously. The end result was that Muslim conscripts eventually returned home very discontented men.

Muslims, as indeed practically all other Soviet conscripts, serve in mixed units well away from their home area. There are still a few all-Muslim units, under Slavic officers, but no Muslim divisions. The last one, the 'Panfilov Division' was disbanded just after World War II, but little is known about its record and performance in battle. Gorbachev's fear is that Khomeini's Islamic Revolution in neighbouring Iran will spread and enflame Muslim nationalism in the USSR, which in itself would be a dangerous and divisive threat to Soviet unity. Two Military Districts cover the Central Asian Republics; the Turkistan MD, with its HQ at Tashkent, and the Central MD, with its HQ at Alma-Ata.

STAVKA (Soviet Supreme HQ) would like to manage without Muslim soldiers, but is desperately short of manpower, and so a large number has to be drafted. More recently, instead of implementing their former policy of containment and neglect the Soviets have been practicing one of "co-operation and control" in the Central Asian Republics to try to obtain Muslim loyalty and support. Minor concessions have been made, land and materials have been provided to build new mosques, grants have been given to the Muslim seminaries at Tashkent and Bukhara; and a few hundred annually are allowed to make the Haj pilgrimage. All Mullahs are on the State payroll.

In December 1979, Sovietised Muslims, being Turkomens, Uzbeks and Tadjiks, formed part of the Soviet spearhead into Afghanistan, and were estimated to have composed up to thirty percent of the total initial invasion force, but they soon began to sympathise with their co-religionists, the Mujahideen, illicitly giving them information and other help. Most Muslim soldiers were soon withdrawn. It is of interest to note that in May this year, diplomatic sources in Kabul reported seeing 'Asiatic faces' in the Soviet patrols around the city for the first time since 1980. This might simply indicate a shortage of Slavic manpower, but it could also mean new Soviet counter-insurgency tactics, involving Turkic-speaking personnel.

Due to the acute shortage of Slavic labour in the USSR, Soviet planners are debating two alternatives. One is to continue, and increase, the number of Muslims drafted to work in existing factories, mainly sited in Russia; and the other is to take labour-intensive industries out to the Central Asian Republics. Gorbachev thinks the latter would be placing too powerful a political weapon in potentially unreliable hands.

GORBACHEV'S OPTIONS

Gorbachev's first option is to allow the Gulf War to continue on its present course, and wait either for a cease-fire, or to see who wins. He could expect little gratitude from a victorious Iraq, which he is helping now, and even less from a victorious Iran, which he has not helped at all. In a long war of attrition Iran, with a larger population than Iraq's, and with greater economic potential, and having a much larger expanse of strategic territory, could be expected to be the ultimate winner. To continue with the *status quo* would be of little benefit to the USSR, so Gorbachev must think again.

Gorbachev's second option is to respond to the present friendly Iranian overtures and ally himself with that country, in the hope he may be able to obtain favourable conditions in return for military aid. These could include the restoration of legality to the Tudeh Party, naval facilities at Iranian ports, and perhaps transit facilities across Iran. Friendless Iran, in its dire need, might reluctantly agree to such unwelcome conditions. Then Gorbachev could abandon Iraq, which, deprived of its major arms supplies, would ultimately become the sure loser. The Soviets have no compunction in abandoning an ally if it is to their own interest to do so. In 1977, they brazenly deserted Somalia for Ethiopia.

Gorbachev's third option is the "unthinkable" one of direct military intervention. The Soviets have never relinquished their right, under a 1922 Agreement, to send troops into Iran if Soviet interests are threatened. If American troops landed in Iran, or indeed anywhere in the Gulf area, it is most probable that Gorbachev would move Soviet forces across the border into northern Iran, when Soviet brinkmanship would be brought into play. Another Soviet military intervention possibility might be in conjunction with, or to aid, a potential Iranian Young Officers' movement. There is probably an as yet unknown "Colonel Nasser" lurking in obscurity, already plotting a coup, who might be persuaded to turn to the Soviets, rather than the Americans.

Gorbachev's other option might be to involve himself in the peace process to bring about a Cease-Fire or Armistice in the Gulf War, but this could only bring about a "No Victor, No Vanquished" situation, with both claiming to be the winner. However, any Cease-Fire may cause acute internal difficulties in both countries. Gorbachev would not mind if the Iraqi central government became engaged in hostilities with its Kurds and Communists again: it would keep it occupied. In Iran, a Cease-Fire would release the underground hostile factions to again battle on the streets with each other, and against central government forces, causing a state of anarchy to arise, into which the newly invigorated and confident Iranian Army, under a new set of colonels, might step into the political ring, and either attempt to seize, or to hold the balance of power.

GORBACHEV'S CONCLUSIONS

Gorbachev's thoughts centre mainly on Iran, how he can obtain paramount influence in that country, and how he can remove the Khomeini threat to his 43-million Muslims in his "southern tier" territory. He will continue to support, openly and covertly, the Tudeh Party, the Komula (an Iranian Kurdish anti-government grouping), and other secular and left-wing movements, such as the Mujahideen, while at the same time working by proxy to gain the confidence of the Iranian officer corps. Gorbachev's thoughts on Iraq, at the best can only be considered as cynical. ■

IRAN

RADIO IRAN REPORTS ON GUNFIRE HEARD IN TEHRAN

GF171714 (Clandestine) Radio Iran in Persian 1330 GMT 17 Sep 85

[Text] Last night, the sound of sporadic shooting in Tehran throughout the night kept the city's residents awake. Throughout the night the sound of automatic weapons' fire could be heard in northern Tehran. It is being said in Tehran that the gunfire and explosions took place in Qasr Prison, Evin Prison, and in the Niavaran area.

The Radio Iran correspondent says that yesterday army helicopters disturbed the peace in Tehran with sudden and unexplained flights over the capital. Coinciding with these air maneuvers, a large group of people were arrested in Tehran.

Yesterday it was being rumored in Tehran that a group of political prisoners were executed in the city's prisons. According to our reporter, the situation is so abnormal that people are saying this chaotic situation is probably caused by the power struggle that is taking place among the various groups inside the regime. Nationalist sources within the government have informed the European offices of Radio Iran that the meeting between the Syrian and Jordanian prime ministers has caused great differences of opinion among the officials of the Islamic Republic. It seems that Syria has placed pressure on the clique it is supporting within Iran to bring an end to the war as soon as possible. At the same time, the Majlis deputies opposed to the government have called for Mir Hoseyn Musavi's resignation from his post. They have warned that if Musavi, with backing from Khamene'i and Montazeri, once again becomes prime minister, they will not remain quiet.

The Radio Iran reporter who spent last night on Tehran's streets says that the regime's Revolutionary Guards set up street checkpoints and barricades at 2300 [1930 GMT] on most Tehran streets, closing them to traffic. They stopped cars and questioned passengers. Passengers in several cars were arrested on various pretexts and taken to the revolutionary committees.

Our reporter adds that, as a result of the increase in night shootings and the continued sound of automatic weapons' fire, the people of Tehran have no doubt that the recent explosions in Tehran also were the work of the regime's elements. These armed maneuvers and nightly displays of power play up the deep rifts existing among the officials of the regime.

Commenting on the uncertain situation faced by school children, our reporter says: Despite the fact that the school year will start in a few days, 27,000 Tehran students still have not found a place to study because several schools have been closed. The fate of these students is unclear, and in the last open session of the Majlis there was a horrendous row over this issue between progovernment and antigovernment deputies.

Our reporter says the shootings in Tehran, the unusual flights of helicopters over the city, the arrests of innocent people, the show of power by the armed Revolutionary Guards in the streets, and the quarrels among various rival factions over the issue of the war, coincide with an overwhelming propaganda campaign by the Hezbollahis throughout the city.

Our reporter says that probably on 23 September, which is the opening day for schools, once again the thugs of the regime, on orders of the president, will pour into the streets under the pretext of fighting against un-Islamic dress codes by women. With knives and knuckle-dusters, they will show the power of the leftist religious faction. Our correspondent, quoting an official of the revolutionary committee, says: A group of prostitutes and thugs on motorcycles have been mobilized for this street-show so that they can attack Iranian women and girls in the next few days in the streets of Tehran.

CSO: 4640/745

IRAN

BRIEFS

DEVELOPMENTAL AID TO AFRICA--The leader of a Reconstruction Jihad delegation, Mr. Shafa'at, who had recently returned from visits to Ghana and Tanzania explained Monday the objective of the two-nation tour. He said that the delegation travelled to these countries to seek ways of cooperation in the field of rural development plans. He added that Ghana and Tanzania were chosen because they were two revolutionary African countries, which attached great importance to the Islamic Revolution. Shafa'at said that Ghana and Tanzania, like Iran considered development of villages the "foundation of their independence." He said the both countries termed the experiences of Reconstruction Jihad 'helpful.' On Iranian agricultural investment in Tanzania and Ghana, Shafa'at said that the delegation had observed investment opportunities benefiting the field of agriculture in these countries. "This would enable them to meet domestic need," he added. Agriculture-related industries and exploration of mines and oil resources were other possibilities," he noted. Reconstruction Jihad is to share its experiences in dam construction with the two countries, Shafa'at said. [Text] [Tehran KAYHAN INTERNATIONAL in English 3 Sep 85 pp 1-2]

PILGRIMS REFUSED LODGING--The head of the Iranian Hajj Headquarters here said Monday that the Saudi police had taken over a building used by Muslim Iranian pilgrims in Medina and were preventing 600 pilgrims from taking up residence the apartments. He said that the rent had already been paid to the owner of the building and the reason for the police taking such an action was unclear. The local Saudi authorities have kept silent on the unexpected action of the police and have refused to answer complaints lodged by the Iranian Hajj Organization. [Text] [Tehran KAYHAN INTERNATIONAL in English 3 Sep 85 p 1]

CSO: 4600/15

PAKISTAN

ZIA TALKS WITH ISLAMIC PEACE COMMITTEE DELEGATES

Karachi DAWN in English 13 Sep 85 p 1

[Text] Jeddah, Sept 12: President Gen Mohammad Zia-ul-Haq spent a busy day here on Thursday discussing bilateral relations with heads of various delegations attending the Islamic Peace Committee meeting.

The President also exchanged views with them on measures to bring the Iran-Iraq war to an early end.

Those whom the President met included Gambian President Dawda Kairaba Jawara, Malaysian Prime Minister Mahathir Mohammad, Bangladesh President Hussain Mohammad Ershad, Turkish Foreign Minister Vahit Hale-Foglu and the Secretary-General of the OIC, Syed Sharifuddin Pirzada.

The Gambian President appreciated the cooperation between the two countries in various fields, particularly technical sphere. He said a technical delegation, which had visited Gambia recently, had submitted its report to the Gambian Government and it had been accepted for implementation.

Pakistan has also offered more seats for Gambian students in its educational institutions.

President Zia, during his separate meetings with the Malaysian Prime Minister and Bangladesh President, discussed the progress in respect of IPC efforts to end the Iran-Iraq war. They also discussed bilateral relations.

President Zia also apprised President Ershad of the tremendous public sentiments in Pakistan over the cyclone havoc in Bangladesh. He also told him of the generous response from the public to his appeal for help and added that the fund had now touched Rs2 crore mark.

During President Zia's meeting with the Turkish Foreign Minister, they expressed satisfaction over the existing friendly relations between the two countries.

The Turkish Foreign Minister conveyed to President Zia his Government's deep appreciation of the help given by Pakistan to Turkey on the Cyprus issue.

Prince Saud al-Faisal, Foreign Minister of Saudi Arabia, also called on President Zia.

The President will proceed to Makkah on Friday to offer prayers at the Grand Mosque there.

He will return to Jeddah and attend a closed-door meeting of IPC in the evening.

CSO: 4600/645

PAKISTAN

MINISTER GIVES ASSURANCE ON POLITICAL PARTIES BILL

Karachi DAWN in English 11 Sep 85 pp 1, 10

[Article by Hasan Akhtar]

[Text] Islamabad, Sept 10: The Federal Parliamentary Affairs Minister, Mr Iqbal Ahmed Khan, has said that the Government would definitely present the Political Parties Bill during the current session of the National Assembly and that the Eighth Constitutional Amendment Bill, now before the House, would not interfere with the Government plan to complete all those enactments in the fourth session, which were necessary for withdrawal of Martial Law.

Speaking to the Dawn in the Assembly lobby, the Parliamentary Affairs Minister said that the Government had not gone back on its assurance that the bill seeking to permit formation of political parties and revive political activity would be taken up without delay in the current session.

When asked whether it was not a fact that the Government has assured during the last session of the Assembly that the Political Parties Bill would be introduced first of all in the next Assembly session, Mr Iqbal Ahmad Khan said it was not so. He said what the Government had assured was that the Political Parties Bill would be brought before the House in the fourth session for enactment. The Government stood by its assurance even now, he added.

Mr Iqbal Ahmad Khan also refuted the insinuation that the Eighth Constitutional Amendment Bill seeking to indemnify Martial Law actions and making it part of the constitution was intended to pressurise members or strike a political deal with those who were unwilling as yet to join the ruling parliamentary group.

The Parliamentary Affairs Minister underscored the need for the Eighth Constitutional Amendment Bill as part of the move for transfer from Martial Law to civil government, by pointing out that the 1973 Constitution's article 269 should amply clarify the rationale for the present bill seeking to add article 270-A in the Constitution. The article 269 also aimed at providing indemnity to previous Martial Law actions.

Meanwhile, Parliamentary sources confirmed that two-third majority of the National Assembly members would be required to support the Eighth Constitutional

Amendment Bill for enactment. The ruling parliamentary group of the Prime Minister was quite certain that a minimum of 158 members which form two third of the total strength, were already with the Government and would support the bill.

However, according to a source close to the Prime Minister's ruling parliamentary group, 129 members of the National Assembly were present at the meeting of the group on Saturday last at the Prime Minister's secretariat who were asked to make a voluntary decision whether they were staying in the group or leaving it. The same source said that Prime Minister Junejo had plainly told those present at the group meeting that they were entirely free to withdraw their written pledges of support if they now decided to leave the group. But none offered to walk out.

A ruling parliamentary group source said that the voting on the first day of the session when the eighth constitutional amendment bill was introduced, should not be taken as true indicator of government strength because many members were still out of the capital while some others were absent at the Assembly meeting.

The next meeting of the ruling parliamentary group is scheduled to be held Thursday morning when it is expected that a number of more members would be joining the group thus raising the strength of the ruling group well above the requisite two-third majority in the Assembly. The meeting is also expected to decide on the strategy during the discussion on the indemnity bill and on the list of members who should speak in the debate.

The independent members of the Assembly are also expected to assemble on Thursday before the session starts later in the afternoon to begin discussion on the Constitutional Amendment Bill, to decide whether they could evolve a joint strategy during the discussion. The problem with the members outside the ruling group is that they belong to different political schools or being independent, have not as yet found a common cause for forming a well-knit opposition in the House.

CSO: 4600/645

PAKISTAN

MINISTER'S REMARKS ON POLITICAL PRISONERS DISPUTED

Lahore VIEWPOINT in English 5 Sep 85 pp 7-8

[Text]

INTERIOR MINISTER Aslam Khattak can hardly expect to receive any kudos for his statement in the National Assembly on political prisoners. The arguments he advanced while opposing an adjournment motion will not stand the mildest of scrutiny and his extended waffling on the subject could only increase public concern over the fate of political detenus.

To begin with, Mr. Khattak took the mover of the adjournment motion, Mr. Mumtaz Tarar, to task for raising the issue merely on the basis of a foreign agency's report. He said there were countries that were not happy with some of Pakistan's policies, and implied that these circles invented stories regarding human rights violations simply to embarrass Islamabad. Perhaps, Mr. Tarar and many others needed to be informed that only such foreign reports that praise the Pakistan administration for its achievements are to be believed. But one marvels at Mr. Khattak's capacity to remain unaware of the many campaigns that have been going on within the country to secure justice for political prisoners and at his repudiation of the dictum that allegations on facts cannot be dismissed solely on grounds of bias on the part of the accusers.

Responsibility shifted

In defence of his contention that there were only six political prisoners in Pakistan, as against the many times higher figure mentioned in the foreign report, Mr. Khattak shifted the entire responsibility on to the Provincial Governments. Claiming that the Federal Government had not ordered the detention of any person and that it had to accept the statistics on political prisoners supplied by the Provincial Governments, he pleaded the Federal authority's inability to impose its will on the latter. Mr. Khattak should himself know all about the myth of separation of powers in Pakistan, especially under Martial Law. The argument can make little impression on a public that is daily treated to stories of Federal directives to provincial authorities on matters exclusively within the latter's jurisdiction. If Islamabad can tell the Punjab police to expedite Dhoke Khabba investigations there is nothing to stop it from removing public grievance about political detention.

No torture?

The most astounding part of Mr. Khattak's speech was his rebuttal of allegations of political prisoners being tortured. After stating that no son, father, or relative of any political prisoner had ever complained of torture, he declared that if anybody could tell him of a single incident of torture, he would immediately quit the Minis-

terial chair. The trouble is that the worthy Minister is not prepared to accept the universal definition of political prisoners and apparently holds the charges levelled against them as conclusive proof of their status as ordinary criminals, otherwise any of the Pakistani human rights associations or political prisoners' aid bodies could have facilitated Mr. Khattak's descent from the gaddi of self-righteousness. Does anyone need proof to show that the mere detention of a person for his views amounts to torture?

Hoping, contrary to evidence though, that Authority is open to conversion, one should like to invite its attention to growing public disquiet over the plight of political prisoners. There is no point in playing the numbers game because there are many many political prisoners in the country and their cases must be reviewed if the present talk of progress towards democratisation and civilianisation of government has any meaning. As it is, the absence of any mention of political prisoners, including those convicted by military courts for political offences, in the measures to be taken before Martial Law is lifted is causing anxiety to all fair-minded sections of society. They cannot vouch for the fairness of a dispensation in which criminals convicted of heinous social crimes (the Hasnie case) can be reprieved and an academic like Zafar Arif must rot in prison merely because his views are unpalatable to Authority.

Meraj Mohammad

Of late, public anxiety about the condition of political prisoners has been deepened by some specific cases of extreme hardship. To take one of the recent examples, Meraj Mohammad Khan was a political detenu by any definition of the term. The loss of an eye he is reported to have suffered can only be attributed to prolonged detention,

lack of medical care to which the entire prison population should be entitled, and unconscionable delay in allowing him to go abroad for treatment. Is there any way of undoing the grievous harm done to Meraj Mohammad Khan on grounds unmaintainable in any law of equity?

Paleejo

Perhaps, even more glaring is the case of Rasul Bakhsh Paleejo, the demand for whose release now forms part of the national consensus. He has been held for years since his sentence for the only charge framed against him expired. Throughout this period he has been detained without trial or even a formal charge, and throughout these years he has been gravely ill and deprived of medical attention that he might have secured as a free person. When his case was raised in the National Assembly the Federal Government gave no reasons to justify his detention and appeared to be sympathetic to demands for his release. Early last month Minister of State Pasha Khuhro indicated the likelihood of his being freed. Now, Sind's somnolent Chief Minister has discovered "other factors" that warrant Paleejo's continued incarceration. Such careless statements can only lower Authority's stock with the common man. If Mr. Paleejo had done something unlawful before he was imprisoned, why was he not tried during all these years? Has he come under the mischief of any rational law while on a sick bed in jail? There is no earthly justification for subjecting political dissidents to these hardships and no State has the right to demand such sacrifices for one's political convictions.

The transition to normal, democratic, civilian rule demands removal of all causes of tension and bitterness that lie underneath every political upheaval or divide a people into hostile camps. In the interest of the country's future a just deal to political prisoners can no longer be delayed.

PAKISTAN

MINISTER SAYS DOUBLE SHIFT FOR COLLEGES UNDER STUDY

Karachi BUSINESS RECORDER in English 13 Sep 85 p 3

[Excerpt]

ISLAMABAD, Sept 12: The Federal Government will consider the feasibility of introducing double-shift system in Pakistan's educational institutions in order to overcome the shortage of schools and colleges in the country, Federal Education Minister Mian Mohammad Yasin Khan Watto told the National Assembly today.

To a supplementary from Raja Shahid Zafar (Rawalpindi) the Education Minister said his ministry would consider adding one or two elected representatives of the people to the National Curriculum Steering Committee.

Answering a supplementary from Sheikh Rashid Ahmad (Rawalpindi) during question hour he said the feasibility would, however, be considered in collaboration with the provincial governments since education was basically a provincial subject.

He admitted that the scarcity of seats in country's educational institutions had become a national problem and that is why the Federal Government had decided to overcome it with the help of the provincial governments.

Answering a question from Maulana Gauhar Rahman, the Education Minister said that there would be no English medium in the matriculation examination after 1987. He said that the government was taking all possible steps for promotion of Urdu language but not at the cost of English language.

The Education Minister said it would be unwise to discourage the teaching of English language. Besides science and technology, English was an international language with which Pakistanis should be conversant, he said.

CSO: 4600/643

PAKISTAN

FORMER MINISTER URGES CHANGES IN FOREIGN POLICY

Karachi DAWN in English 16 Sep 85 p 6

[Text]

LAHORE, Sept 15: The Independent Planning Commission (IPC) of which Dr. Mubashar Hassan, a former Federal Finance Minister, is the founder, has suggested a number of changes in the foreign, defence and economic policies of the country.

Speaking as chief guest in the 'Tajzia' programme of the Lahore Press Club here today, he said IPC stood for a genuine non-aligned foreign policy and closer relations with its neighbours including India, Afghanistan and Iran.

The IPC was, however, opposed to Pakistan's relations with the United States at the cost of its neighbours. Pakistan had bitter experience of being too close to the United States in the past. The U.S., he said, changed its policy towards Pakistan whenever it thought it was in its interest to do so. "Our relations with that superpower should be like those that China and India have with it."

Imports

Dr. Hasan said that the IPC wanted a ban on unnecessary imports. "The World Bank and IMF are the major hindrances in the way of Pakistan's development, which has a potential to meet a ma-

jor part of its requirements, including oil, gas and edible oil from its domestic resources."

The IPC stood for the resolution of all outstanding issues with India, including the Kashmir dispute and the promotion of economic, cultural and social ties. "Pakistan and India pose no threat to each other."

Armed Forces

The IPC was of the view that the size of the Armed Forces, their training and the weapons at their command were just one — and inadequate — factor in national defence. Good relations between the Government and the people were an equally important factor. "These bilateral ties are not possible unless the people are well off economically and the Government is their own. The IPC stands for the transfer of power at all levels to the elected representatives. The Centre should be left only with foreign affairs, defence, communications and some other matters. All other subjects should vest in the provinces. This would not only solve the question of provincial autonomy, but also be an effective shield against proposals for a confederal structure for the country."

CSO: 4600/13

PAKISTAN

FORMER MINISTER TALKS ABOUT NATIONALIZATION, OTHER TOPICS

Karachi DAWN in English 13 Sep 85 Magazine P V

[Article by Muhammad Ali Siddiqi]

[Text]

Pakistan's experience with the public sector has been unhappy. One reason for this may be a change of horses in midstream. Those who nationalised the heavy industry, banking and insurance didn't last long enough; those who have lasted long enough aren't the ones who would suffer nationalisation gladly.

Political psychologists, of course, can go on arguing whether the present rulers who inherited an unexpectedly large public sector were more keen to run it or more eager to prove a point — that nationalisation, besides being a heresy, was an economic disaster.

There can, of course, be two opinions on this. But one has to ask whether it was wise to nationalise no less than 21 heavy industries without a trained cadre.

Not that a public sector came into being in Pakistan only in January 1972; it had existed before too. But it had consisted of industrial units launched by successive governments and not of running concerns taken over from private owners.

What came into being in 1972, thus, was not so much the creation of new industries as the transfer of ownership from the private to the public sector. No

wonder, then, that the newly-acquired units were run more or less on traditional bureaucratic lines.

Dr Mubashir Hasan, the man at the helm of our economic affairs between 1972 and 1976, however, insists that that was not the case.

I had been on the lookout for him ever since I talked out the "ideologue" phenomenon with Prof. Khurshid (Dawn Magazine, April 19, 1985). I had said, and I expect the reader to bear with me: "The most dangerous breed of ideologues is that which falls in the technocrat category. They are dangerous because they play with the economy, they are dangerous, because they want to squeeze hard economic facts into preconceived ideological moulds, and they are dangerous — even more — because they threaten to upset the economic status quo without necessarily coming up with an alternative that is better."

Did Mubashir agree with this?

Naturally not.

He said the 1972 nationalisation had nothing to do with what he or someone else as an ideologue thought. What was involved was the courage to implement a decision taken much earlier.

Party philosophy

"The party was committed to it (the nationalisation of the heavy industry); it was part of the party's philosophy; the

party was founded for it; it was part of our election manifesto; it was part of our election programme, and when it was finally implemented, it was merely a fulfilment, by an elected government, of a pledge given to the nation.

"What is more the (nationalisation) measure was made part of the 1973 Constitution, which was unanimously approved by the National Assembly. This way the 1972 nationalisation had the endorsement of the entire nation.

"That perhaps is the reason why the present Government has not been able to upset the arrangement and privatise the industry. This also proves how sound the nationalisation decision was."

Dr Mubashir, a Ph.D. in civil engineering from Iowa University, said the nationalisation of the heavy industry in 1972 and the measures taken subsequently to expand it during the 1972-77 period were the only industrial achievements during the last 13 years, "for neither the private sector nor the Government has been able since then to establish new industrial units in a big way."

Dr Mubashir thought the present Government was conscious of the perils involved in any large scale de-nationalisation effort. "This's why they have thought it fit to set up a business (N.L.C.) which is competing with the private truckers."

Dr Mubashir didn't agree

with the criticism that large scale nationalisation without trained party cadres was a mistake.

He said, "Industry must be run by professional managers. Neither party cadres nor bureaucrats are qualified to run an industry."

Before 1972, he said, Pakistan hardly had any managerial class. There were some brilliant ones working for foreign-owned companies — such as I.C.I., Burmah-Shell, Attock Oil and some tea companies. "But we did our best in 1972 to invite these professionals into Government administration and work for Pakistan."

He gave a list of names — Allahwala, Afzal, Saigol, Amanullah, Humayun Mufri, Babar Ali and others — who were taken on the boards of management and told to develop a new class of professional managers who could look after the State sector.

Before 1972, Dr Mubashir said, industry in Pakistan, with a few exceptions, was "a robber-baron industry." It neither operated in a free market nor did it produce quality goods. "I'm, of course, not speaking of the textile mills, which we did not nationalise. But all other industries were making profits on account of Government patronage.

"It was the Government that determined the prices of cement, fertilizer, steel, sugar, etc and it was the Government which fixed the price of the raw material directly by deciding the rates of import and excise duties and of the sales tax. The Government also determined the rates of power, gas, oil and freight. This way profit or loss was determined by the Government, while the private industry failed to produce professional managers in large numbers."

But in 1972, he said, "a conscious attempt was made to establish a managerial cadre. It was natural that for the first few years the nationalised sector should have teething troubles. But after a few years the industry operated rather smoothly.

"Of course, certain units were running in loss, but the problems mainly stemmed from the original bad designs and the choice of wrong machinery —

for which the pre 1972 owners were responsible."

Dr Mubashir refuted the charge that upto 1977 all nationalised industries were running in loss. "Most were making profit and earning substantial revenues for the Government."

Budget

Real problems, he said, arose after 1977. Many good managers left their jobs, and Islamabad Secretariat increased its interference with the nationalised units. "To make up the budget, it raised the excise duty tremendously. Now a substantial part of the budget is made up of the profits earned by the nationalised sector."

"The nationalisation, a year later, of banking, shipping and insurance also came up for discussion and I told Dr Mubashir personally I had never received premium notices for my insurance policy after nationalisation. Also, service in the banks had deteriorated, and above all, his party had failed to take over foreign banks!

Dr Mubashir said the nationalisation of the banks had led to an expansion of banking. "If I remember correctly," he said, "of the nine banks nationalised, five were on the verge of bankruptcy. Once nationalised, all the banks not only picked up losses, they made tremendous advances; now we see banks even in the remotest of villages."

Dr Mubashir admitted that the failure to nationalise foreign banks was a big mistake. "Now the foreign banks are violating the pledge not to expand their business at a rate faster than that of the nationalised banks."

"These banks," he said, "have taken the cream of business in Pakistan, and much of the profit-making business has gone to them."

The list of charges levelled by Dr Mubashir against the foreign banks was long. The allegations ranged from alleged illegal monetary transaction to and from Pakistan to attracting business through rebates and other concessions which the nationalised banks could not provide.

Dr Mubashir, once the PPP's

Secretary-General, is now one of the fifteen members of the Independent Planning Commission, which has recently come out with a book, *Federal and Sovereign*, containing ideas on national problems ranging from economy and education to defence and foreign policy.

Written in a 'Your Question and Our Response' form, the book stands committed to social democracy, spells out the Commission's ideas on how the powers of the bureaucracy can be curbed, how the people can be given a sense of participation in State affairs by not merely having elected assemblies but by making people's elected representatives have a say in the functioning of the State machinery all down the line; the causes that have led to the repeated imposition of military rule, and how such a situation can be averted in future.

Answers to some of the questions on the issues of the day are revealing. (Questions have been shortened to save space).

Q: Is Pakistan a viable State?

A: "Not only that Pakistan is a viable State but also that, among the nations of the Third World, Pakistan possesses the requisites to emerge, over a short period, as a strong and prosperous nation...."

Q: Will Pakistan survive the serious ethnic antagonism?

A: "Surely, Pakistan can stay as one country. If Canada, the United Kingdom, Yugoslavia and the Soviet Union can stay as one country why cannot Pakistan?...."

Q: What precisely does the Commission mean by transfer of social and political power?

A: "In Pakistan power has always rested with government officers...pick up any law relating to any sphere of national life — criminal procedure, revenue collection, public works... — you will not find mentioned anywhere the powers and responsibilities of an elected person. The laws of Pakistan read within our constitutional scheme bestow powers on SHOs, SPs...but not on people's representatives.

"It is not without reason that whenever Martial Law is proclaimed the CMAL...finds it necessary to appoint Martial

Law Administrators, DMLAs, SMLAs in addition to deputing military personnel to other offices....Only then is the takeover considered complete....

"When a Martial Law rule ends and a civilian government comes in its place, it childishly assumes that it has the reins of government in its hands... The legal position is that a Minister cannot direct anybody except his Secretary...Generally the official language of the secretariat is technical enough to be beyond the understanding of most of the Ministers....

Revision

"All laws of Pakistan need revision. Wherever the existing laws confer responsibility, power or discretion on an officer, the law needs to be changed in favour of an elected representative...."

Q: What is the guarantee that there will be no fourth Martial Law?

A: "...There are some who seem to believe that the defence forces have what may be described as lust for power for its own sake...We do not agree with this theory. But in doing so we do not wish to pass a judgment on any past declaration of Martial Law. All we want to say is that the promulgation of Martial Law in the past does not prove that whatever the conditions, whatever the state of democratic functioning the defence forces are likely to proclaim Martial Law after every few years.

Q: Will an ambitious head of the armed forces arrogate to himself the right to rule in future?

A: "...The most efficacious measures to prevent a General from taking over the civil administration is to deprive him of any excuse to do so. To be fair to all sides, it must be admitted that it is unmanageable antagonisms within a society that arouse extra-constitutional ambitions...Generally, armed forces do not declare Martial Law against a genuinely democratic government. Thus, maintenance of democratic institutions in letter and spirit...can constitute as good a guarantee as is possible against military take overs...."

PAKISTAN

LEADER SAYS TEHRIK TO REMAIN IN MRD

Karachi DAWN in English 16 Sep 85 p 12

[Text]

KARACHI, Sept 15: Mr Nisar Khurho, Central Vice-President of the banned Tehrik-i-Istiqal, has ruled out the possibility of his party quitting MRD.

Talking to *Dawn* on Sunday he said the Central office-bearers of his party would be meeting in Lahore on Tuesday to review the overall political situation following the reopening of controversies.

To a question, he described the recent withdrawal of the banned Tehrik from MRD activities at Provincial and district levels in Punjab as a form of 'protest'. However, he clarified that the Central office-bearers of the party, who are meeting on Tuesday, were not empowered to take a decision, on quitting MRD.

When his attention was drawn to reports that the decision of the banned Punjab Tehrik was also thrust upon other provincial branches, Mr

Khuhro said the Sind Tehrik had not taken such a decision and the Punjab Tehrik's decision could not be imposed on other provincial arms of the party.

He said it was imperative to hold a meeting of the Central Working Committee of the banned Tehrik to review the overall situation.

He called for unity among the democratic forces, and said MRD was vital for the struggle for democracy, revival of political parties and their activities. Described MRD as a symbol of Opposition in the country, he said it should be strengthened further for early lifting of Martial Law and restoration of democratic rights.

Mr Khuhro said the continuation of Martial Law would undermine the integrity and solidarity of the country, and the political parties should wage a struggle for the preservation of solidarity of the country.

CSO: 4600/13

PAKISTAN

JATOI CONSULTS OTHERS ON MRD MEETING

Karachi DAWN in English 16 Sep 85 p 12

[Text]

KARACHI, Sept 15: Mr Ghulam Mustafa Jatoi, acting Convener of the MRD, has said that he would consult Mir Chous Bakhsh Bizenjo, President of the banned Pakistan National Party, who is scheduled to arrive here on Monday morning, for the demand made by the banned Tehrik-i-Istiqal for convening a meeting of MRD's Central Action Committee.

He told newsmen on Sunday he had already consulted Nawabzada Nasrullah Khan and other leaders of the MRD on the Tehrik's request for a meeting and added that it was necessary to also consult Mr Bizenjo before taking a final decision.

Earlier, the banned Tehrik-i-Istiqal, through its acting Chief, Mr Khuda-i-Noor, made a request to convene the Central Action Committee to discuss Rao Abdul Rashid's book, the confederation idea floated by two PPP leaders (Mr Hafeez Pirzada and Mr Mumtaz Bhutto), and the alleged unilateral postponement of the struggle for democracy till Dec 31, the deadline set by the Prime Minister for end of martial law.

Mr Jatoi said that the controversy on Rao Rashid's book was settled at the provincial MRD meetings in Lahore to the satisfaction of the parties concerned. But, he added, the former Air Force chief thought it fit to reopen the issue at the Central Action Committee meeting in Quetta.

He said if Mr Asghar Khan wanted to reopen the controversy

again, his party would press for a discussion on both the book written by Rao Rashid and Mr Asghar Khan's 'Generals in Politics' at the next meeting of the MRD.

To the question of postponement of the movement for revival of the democratic process, Mr Jatoi said the MRD high command did not pinpoint the exact shape of a future struggle or its deadline.

"If Mr Asghar Khan wants to spearhead a struggle, let him come from London and lead a mass movement for revival of democracy and other leaders and workers of the MRD components would follow him," he observed.

On the Tehrik's demand for immediate expulsion of two PPP leaders — Mr Mumtaz Bhutto and Hafeez Pirzada — Mr Jatoi replied that his party would have taken a decision long ago but for the death of Shahnawaz Bhutto. He criticised the attitude of the Tehrik and termed it "uncalled for."

He said the Tehrik was pressurising the PPP on the subject and "we will not submit to such tactics."

He said the Tehrik was solely responsible for the delay in taking a decision on the issue, "but we will not delay it indefinitely as it is an important national issue."

He also said that it was PPP's internal matter and the Tehrik had nothing to do with it. Mr Jatoi declared that his party would take a decision on the subject very soon.

Replying to a question, he said that party elections would be held

as and when the situation permitted. It was a national political party with support from Chitral to Karachi, and it would launch a membership drive if leaders and workers of the party were allowed to undertake a tour of the country.

"PPP is not Tehrik-i-Istiqal, in which office-bearers were selected," he said. "We will organise meetings, and motivate the people to become members of the party. We will not form the membership in drawing rooms," he added. He said PPP's last membership drive was concluded in 1976.

Replying to another question, he said he had sent another telegram to the Provincial Home Department requesting an interview with Ms Benazir Bhutto, acting Chairperson of the party.

He denounced the Indemnity Bill and called upon the MNAs to rise to the occasion and come up to the expectations of the people in seeking immediate withdrawal of Martial Law and revival of the 1973 Constitution.

He was of the opinion that the 'Constitution of 1985' was a "death warrant" for the Federation of Pakistan.

He described the validation laws as the worst form of Presidential rule, having no parallel in modern political history. It suggested a unitary form of government with the intention of denying legitimate rights to the smaller provinces, as the Constitution of 1956 did to erstwhile East Pakistan.

PAKISTAN

RESTRICTIONS ON SOVEREIGNTY OF PARLIAMENT ANALYZED

Karachi DAWN in English 16 Sep 85 p 8

[Article by Mushtaq Ahmad]

[Text]

THE PRIME Minister went into utmost poetic ecstasy in announcing to the legal luminaries assembled on the lawns of the Sind High Court that the New Year would herald the dawn of a new era of civilian Government in the country and witness the eclipse of the old order of Martial Law under which the nation has been governed for the past eight years. In the sunshine of liberty the withered plant of democracy he hoped, would come into full bloom.

The eclipse of Martial Law would mean the reassertion of the supremacy of the Parliament, proclaiming its competence to amend the constitutions about which serious doubts were entertained in certain quarters by quoting chapter and verse of the document in its original and amended form by the protagonists on either side of the political barricades. In a parliamentary system, it is natural for the Parliament to occupy the central place in the constitutional set-up, combining as it does within its jurisdiction both the legislative and executive functions of the government, and even the laws interpreted by the courts are enacted by it and the members of the judiciary are appointed by the parliamentary executive. The Prime Minister himself is a leader of the majority, and in future the President, too, will be elected by it.

Trial and error

The success of the democratic experiment — we cannot describe it in any other way — since it has been tried, tested, suspended and revived several times. The method of trial and error is still not over. History, they say, repeats itself but seldom in the same form. While in the past Parliament came into full bloom after the end of the Martial Law, we have now a situation in which its revival has taken place under the aegis of Martial Law itself, which means the existence of military and civilian Governments side by side, and by implication if not the subservience and subordination of civil rule, certainly its secondary position in the governance of the country for, what the latter proposed the former could not dispose. In fact, their continued co-existence was not possible without the prospects of conflicts, and crises which, it was the objective of the powers that he to avoid. The nation was pining for the end of Martial Law and the Prime Minister was equally impatient to ensure civilian supremacy by the transfer of authority from the representatives of the armed forces to the representatives of the people. But the Parliament having come into being under the umbrella of Martial Law, the withdrawal of Martial Law could not be effected except by mutual consent of the two parties. Insistence on unconditional consent would have perpetuated the status quo or precipitated a crisis.

Mr. Junejo was not a man of crisis but a man of compromise. Prob-

ably, he argued with himself, that half a political loaf was better than no political loaf at all. If to his opponents outside the National Assembly, the end of Martial Law was the restoration of the status quo on the eve of its imposition, to him it signified the need for reconciliation with its custodians provided they had now a civilian wardrobe, which president Zia-ul Haq had already decided to have the moment he sought to extend his tenure through a referendum.

Civilian rule

The President obviously had his stake in the Government over whose affairs he had presided for eight years. After having exercised undisputed power for so long, he could not agree to become a powerless Head of the State. A redistribution of power between the President and the Prime Minister reflected in the discretion of the President to select the Prime Minister, the Ministers in his Cabinet and to dissolve the Parliament, are question marks to the sovereignty of the Parliament though not of the civil government, comprising the President, the Prime Minister and the Parliament. The political framework does not envisage in the immediate present the sovereignty of the Parliament except in the widest connotation of the term Parliament, or in the long run in its narrowest definition. All the legislation enacted by the Martial Law Regime through regulations, Orders and Ordinances, including constitutional legislation the Proclamation of the fifth of July 1977 and the Constitutional Revival Order, form part of the fundamental and ordinary law of the land which will be beyond the competence of the courts to challenge. That precisely is the purport of the Eighth Amendment to the constitution moved by the the Minister of Justice in the National Assembly for its approval and consent.

Acceptance of this legacy is a part of the compromise for sharing of power which the Parliament must accept for what the Prime

Minister believes is essential for a smooth and peaceful transformation of military to civilian rule.

Mr. Junejo's declaration at the Karachi Bar Association that "the authority of the Parliament does not suffer from any impairment, nor is it restricted by any conditions and requirements", must not be read and interpreted in isolation from the events that have shaped the political developments in the country in the past eight months.

Under Article 239 of the Constitution that he quoted in his address, there is no limitation on the powers of the Majlis-i-Shoora (Parliament) to amend any provision of the Constitution. If the Court of the Sovereign Parliament as the Prime Minister described it, does not want to amend the amendments, but on the contrary, confers its approval on them, it is a self-imposed limitation on its sovereignty, on which the only conceivable constraint can come from the people themselves. Whether acquiesced in as a matter of political expediency temptations of office, or the exigencies of the situation, the constraints is restrictive of its authority. Even if removable in the future, so long as it lasts, it qualifies its sovereignty.

In a parliamentary system of government the Parliament is or has to be legally supreme. But even its legal supremacy, in the final analysis, is subject to the overriding authority of the General Will. It can act in defiance of the General Will at its own peril provided the Will is assertive and articulate. In Pakistan, on certain fundamentals of faith, its articulation and assertiveness is a powerful deterrent to any attempt destructive of its beliefs and traditions. If in England the Parliament cannot order the desecration of the churches, in our country there is all the more reason for it to respect the sanctity of the mosques or else face the wrath of the people. The Objectives Resolution which Mr. Junejo cited, though adopted by the Parliament in 1949, is in a sense a limitation on its sovereignty. If it is part of the constitutional and political structure, it is because it is in-

terpretative of the will of the people and not merely expressive of the will of the Parliament.

Legal supremacy

The theoretical absolutism of the Parliament is conditioned by the practical limitations emanating from the power superior to it. It is only a legal source, the real repository of power are the people from whom the law-makers derive their mandate. The authority to make and amend the fundamental law of the land embodied in the constitution, flows from the fundamental rights of the citizens, which are the basis of Government by consent. The constitution itself being a product of those rights, it is a misnomer to consider them its by-product. The rights to freedom of speech, expression, movement and association are sacred and inviolable in a modern democratic State. Only under the most compelling circumstances when the country's security is in grave peril and with unanimity of consent of the Parliament, are they suspended temporarily to be restored soon after the Emergency which occasioned their suspension, is over. In complete disregard of their sanctity, our Parliaments and Presidents have kept them in abeyance from the times of Ayub Khan, Yahya Khan and Bhutto and Gen Zia-ul-Haq.

The reason for this anomaly is that the political sovereign is not conscious of its rights and by its ignorance and poverty is forced to abdicate its sovereignty. A democratic State by its very nature is a welfare State. The Parliament in our country given the socio-economic environment in which it operates, must not think that the right to work, education, health and housing in addition to their claims to equality and justice are restrictions on its sovereignty, but the very condition of its exercise. It is in the light of these considerations that its performance in the future will be judged, and the prospects of its success weighed by the people for whom civil government and democracy are synonymous concepts.

PAKISTAN

BUGTI SAYS CONFEDERATION 'NEITHER WORKABLE NOR ACCEPTABLE'

Quetta BALUCHISTAN TIMES in English 9 Sep 85 p 4

[Text] Quetta, Sept--Former Governor of Baluchistan Nawab Mohammad Akbar Khan Bugti has said that the concept of confederation in Pakistan is neither workable nor acceptable to the people.

At an interview in Quetta, he said that during his recent meeting with Dr Hameeda Khuro, Sardar Sherbaz Mazari and Mr Ellahi Bakhsh Soomro in Karachi separately he had acquainted them with his political point of view on the issue of federation and confederation.

Mr Akbar said the best course for the rulers of Pakistan was to remove defects from the existing federation, delegate powers to the province as enunciated in the 73 constitution and create a sense of participation in the affairs of the state for the people of all the four provinces as equal partners.

Asked if the Punjab agreed to the concept of confederation then what would be his attitude, Mr Bugti said what to talk of confederation, Punjab is not prepared even to part with the power for smaller provinces of Sind, NWFP and Baluchistan as defined in the 1973 constitution. How do you expect Punjab to accept the theory and practical of the confederations, he asked. Mr Bugti said the country was passing through crisis. As such the rulers should realise that earlier fulfilled provincial autonomy is restored to all the provinces, the better it is for the nation and the country.

Asked to comment on Miss Benazir Bhutto's detention in Karachi, Mr Bugti said these were administrative tactics. We would not be surprised if one fine morning we find that Miss Benazir Bhutto has been airfreighted to France." APP

CSO: 4600/12

PAKISTAN

PNP LEADER CRITICIZES INDEMNITY BILL

Karachi DAWN in English 14 Sep 85 p 2

[Text] Karachi, Sept 13--Mr Shah Mohammad Shah, Acting President of the banned Pakistan National Party, has denounced the 8th Constitution Amendment Bill and said it would amount to civilianise the Martial Law if the National Assembly approves it.

In a lengthy statement, he said the bill validating all the black laws, orders and decisions of the present Government, including the drastic amendments in the constitution would destroy the federal structure.

He said the new constitutional framework for the country would not be acceptable to the federating units as they would be reduced to mere 'administrative units.'

Mr Shah Mohammad Shah pledged that his party would fully participate in the relentless struggle for the restoration of democratic and constitutional rights of the federating units.

He appealed to the democratic forces to forge unity to resist all the attempts to perpetuate the 'one-man rule' and the efforts to civilianise the Martial Law.

Meanwhile, Mr Azhar Jamil, Acting Secretary-General of the banned Qoumi Mahaz-i-Azadi, also criticised the bill validating the enactments, decisions, orders and laws of the present Government.

In a statement, he said it would amount to converting the present federal structure into a unitary form of government and the status of Parliament would be further reduced.

He demanded immediate release of Miss Benazir Bhutto, Mr Iqbal Haider and other political detenus.

CSO: 4600/12

PAKISTAN

INDEMNITY BILL DEFENDED

Karachi DAWN in English 14 Sep 85 p 2

[Text] Islamabad, Sept 13--"Constitutional experts" have contended that the additional provisions now introduced in Article 270(A) were those which sought to provide that President's orders made during the relevant period "may be amended in the manner provided for amendment of the Constitution," according to an APP report.

They were commenting on views expressed by Haji Saifullah Khan, MNA, at a recent Press conference in which he had drawn a comparison between Article 270 and the Constitution (Eighth Amendment) Bill, 1985, now before the National Assembly.

They said that the proposed amendments in Article 270(A) also provided that "the President's orders, etc, made during the said period, shall continue in force until altered, repealed or amended by the competent authority."

They explained that the first of the two provisions being introduced to Article 270-A was not required in Article 269, because Clause (2) of Article 268 of the Constitution provided that the martial law regulations specified in the sixth schedule "shall not be altered, repealed or amended without the previous sanction of the President."

The experts also said that the second provision being added to 270-A was not required to be incorporated in Article 269 because a provision for the continuance in force of all laws which were in force immediately before the commencement of the Constitution was contained in Clause (1) of Article 268.

About the stand taken by Haji Saifullah regarding Article 270-A, they said that Article 270 sought to give temporary validation to the laws, etc, made or done during the period when General Yahya Khan was the Chief Martial Law Administrator.

But they said Haji Saifullah Khan had intentionally avoided a reference to Article 270 which gave permanent validation to all laws made, or acts done, between Dec 20, 1971 and April 1972. This was the period when Mr Z.A. Bhutto was the CMLA.

They said Article 269 was the parallel of Article 270-A now before the House.--APP

CSO: 4600/12

PAKISTAN

RESENTMENT EXPRESSED AGAINST REACTION TO BENAZIR'S ARREST

Karachi DAWN in English 3 Sep 85 p 1

[Text] LONDON, Sept 2: Pakistan's Minister of State for Foreign Affairs, Mr Zain Noorani, has expressed displeasure over the treatment given by the British media to Ms Benazir Bhutto's house arrest.

Mr Noorani was talking here to Pakistani and BBC newsmen on Monday before his departure to Luanda to participate in the Non-Aligned Movement conference.

The Minister of State specially mentioned an editorial in *The Times*, expressing resentment over the use of words such as "liars". (In a leader titled "Democracy under arrest", the paper had commented on Saturday that "By arresting (Ms Bhutto)...General Zia has gained nothing and lost a lot. He has shown up both himself and his own civilian placements, who only last week were assuring Miss Bhutto of her freedom in Pakistan, as either hypocrites or liars...")

He said, "Impression in Great Britain seems to be that democracy means only the British system. It is a pity that certain people in responsible positions and in public life still feel that Pakistan is a British colony and is bound to follow the British system."

He said both the President and Prime Minister of Pakistan had given an undertaking that martial law would be lifted and a representative government would be fully restored by January, 1986. The elected Parliament was engaged in evolving a method for realisation of the objective.

Giving reasons for Ms Bhutto's arrest, he said she had violated the existing laws forgetting that the

country was still under martial law, addressed public rallies, took out processions, and insisted on visiting the house of a hijacker and organise a meeting in that "sensitive area".

He said statements by members of British Parliament and also by the U.S. Administration criticising Benazir's detention were "totally unwarranted and uncalled for" and were an "interference in Pakistan's internal affairs".

(The BBC quoted Mr Noorani as saying in reply to a question that Pakistan was still under martial law, and implementation of martial law orders was the job of the concerned authorities. He refused to agree with the suggestion that by detaining Ms Bhutto, the martial law authorities had ignored the civilian Government.)

(Mr Noorani stated that Ms Bhutto's decision not to launch any movement till January next probably stemmed from the fact that she felt her party was not adequately organised at the moment, BBC further reported.)

He said: "Why has no one in Britain and the US asked where the huge amounts of money, reported by the French Press to have been distributed in the Bhutto family, have come from and for what?"

DEFENCE: Replying to questions on reported massing of Indian troops on Pakistan borders, Mr Noorani said, Pakistan's armed forces were fully capable of defending the country and there should be no doubt about it.

AFGHANISTAN: He expressed confidence that Pakistan would again succeed in getting passed a resolution on Afghanistan on the lines of the NAM's 1983 Declaration — giving full support to Pakistan's "principled stand" on the issue.

He said the Conference has a lengthy agenda which includes Afghanistan, Kampuchea, Middle East, Africa and matters of global economic order.

VICTIMISATION: Mr Noorani declined to answer questions on the latest round of Geneva talks on Afghanistan as he had not met Foreign Minister Sahabzada Yaqub Khan, who arrived here after the Geneva talks on Sunday. However, he volunteered a statement on "victimisation" of Asians, including Pakistanis, which, he said, has been "agitating" his mind.

He appealed to the British Government to take special measures and create special squads in their law-enforcing agencies to deal with the matter. Mr Noorani said, their properties were damaged and burnt and people were injured, many seriously. And this has been going on for the last three or four years. The British Government and its law-enforcing agencies, he said, were apparently helpless.

His information was that 600 such cases were reported, but the police has not been able to detect them and take action against the culprits.

This matter, he said, was raised in Pakistan's National Assembly's last session. He had to give an assurance to the House that the Pakistan Government would impress upon the British Government the need to take all possible measures to end this tirade of violence against Asians.

He said Pakistan and its people felt agitated when any national of their country was attacked. But they did not believe in interfering in another country's internal affairs. However, he thought "time has come that the British Government should seriously consider setting up special agencies to deal with the matter."

CSO: 4600/639

PAKISTAN

QUESTION ON SIACHEN DISALLOWED IN ASSEMBLY

Karachi DAWN in English 13 Sep 85 p 1

[Text] Islamabad, Sept 12: The Speaker of the National Assembly today disallowed a question on Siachin Glacier on the ground that it pertained to highly sensitive matters.

Maj-Gen (retd.) Mohammad Bashir Khan, MNA from Sind, had asked, during the Question Hour, whether Pakistan had lost any territory around Siachen glacier; if so, how many kilometres.

The Opeaker ruled that information received from the concerned ministry in regard to this question was found to be of highly sensitive nature and therefore, it was decided to disallow it.

The Speaker's observation provoked a sharp reaction from some of the members who thought that since the question was about a part of Pakistan' territory, it was the privilege of the House to know the facts and if this information was withheld from the House, it would amount to hurting its privilege.

The Speaker, however, adhered to his earlier ruling and disallowed the question with the observation that the matter could be discussed at the time of debate on foreign affairs.

Maj-Gen (retd) Mohammad Bashir Khan suggested that the members could be informed about the situation in camera.

His next question pertained to information regarding the number of officers who suffered casualties, during operations on Siachen glacier for reasons other than enemy actions, and the causes of the said casualties and where and how they were treated and whether the sufferers of the said casualties will be fully compensated for loss of limbs.

Replying to this question, the Parliamentary Secretary for Defence, Mr W. Herbert, said information was being collected and would be tabled before the House as soon as received.

CSO: 4600/645

PAKISTAN

NETHERLANDS TO CONTINUE AID FOR BALUCHISTAN DEVELOPMENT

Quetta BALUCHISTAN TIMES in English 5 Sep 85 pp 1, 6

[Text] Quetta, Sept 4--The Parliamentary delegation of Netherlands today visited BIAD Cluster Mehrabzai near Quetta. They saw the Rural Water Supply Schemes completed under the BIAD Programme with the financial assistance of Netherland Government. A large gathering of local community welcomed the delegation. The Members of the delegation were informed about the various activities being carried out in the BIAD Clusters which have gone a long way in improving the health status of the mothers and children, particularly the availability of clean hygienic piped water has brought about tremendous change in the life of the villagers. The leader of Netherland Parliamentary delegation Dr H.J.B. Aarts expressed that they were extremely impressed by the spirit of cooperation, self reliance and self confidence with which the people of BIAD Clusters were implementing the small schemes of Primary Health Care, Sanitation, basic literacy and rural water supply. He held out an assurance that the Government of Netherland would continue its strong support for the BIAD Programme since it guaranteed the provisioning of basic needs for the most neglected segment of the population in Baluchistan.

Three Rural Water Supply Schemes have been undertaken at Babozai, Mehrabzai and Sinjidi at a cost of Rs 6,5000 million. While water supply scheme Mehrabzai has already been completed, other two schemes will be completed within next 2 months. Population of 5600 of 17 villages will be benefitted with these water supply schemes. The local population has contributed land for drilling of tubewells and digging of trenches on self-help basis. After the completion these will also be operated by the local communities through raising local finances.

The lady member of the delegation, Mrs E.L. Herfkens met the village women and mixed freely among them. Later she told that she was extremely impressed by the change in the outlook of illiterate women. They were very happy with the services being delivered by the BIAD Mobile Teams in their villages. Earlier in the morning the Netherland delegation was briefed about the Baluchistan Minor Irrigation and Agricultural Development Project by its Project Director Brig Muhammad Mushtaq. The Netherland Government has provided US \$2.1 million as technical assistance component of the BMIADP while a sum of Rs US \$7.000 million has been provided for 33 Rural Water Supply Schemes under the BIAD Programme.

In the afternoon the Netherland delegation visited Afghan Refugees Camp near Panjpai. At night they attended a dinner party hosted in their honour by the Quetta Development Authority.

PAKISTAN

ECONOMIC COUNCIL APPROVES DEVELOPMENT PROJECTS

Karachi BUSINESS RECORDER in English 6 Sep 85 pp 1, 10

[Text]

ISLAMABAD, Sept 5: The Executive Committee of the National Economic Council, which met here today under the Chairmanship of the Federal Minister for Finance and Planning, Dr. Mahbubul-ul-Haq, approved a total number of 50 development projects worth over rupees 30 billion. These projects relate to various sectors of the national economy, like energy, industry, agriculture, communication, health, education etc.

The meeting was attended by the Federal Ministers for Production, Food and Agriculture, Information and Broadcasting, Ministers for Finance of Sind, Punjab and Baluchistan, heads of the provincial planning and development departments, concerned federal secretaries and other senior officers.

In the energy sector, the meeting approved the Tarbela Hydroelectric Power Extension (units 11,12,13 and 14) project at a cost of Rs.10,597 million with a foreign

exchange components of Rs.4,922 million.

The project envisages installation of four units of 432 megawatts each on tunnel No.3 of Tarbela Hydroelectric Power Station along with necessary equipment for a 500 KV switchyard extension. This will increase the installed capacity of Tarbela from 1750 MW to 3478 MW.

The ECNEC gave ex-post facto approval to the revised project for installation of 35 MW gas turbine at Quetta at a cost of Rs.172 million with a foreign exchange component of Rs.115 million.

The ECNEC also gave its approval to the 500 KV Ludewala-Daudkhel transmission line project, costing Rs.1040 million with a foreign exchange component of Rs.465.32 million.

The project envisages construction of 190 KMs of single circuit 500 KV transmission line from Ludewala (Sargodha District) to Daudkhel via Chashma and Mianwali, along with installation of necessary sub-stations facilities at Ludewala and Daudkhel.

The meeting also gave approval of the project for acquisition of

equipment and technology for stimulation of oil and gas wells by fracture treatment with Canadian assistance involving an amount of Rs.226.612 million with a foreign exchange component of Rs.198.065 million. The foreign exchange requirement would be met through Canadian loan and grant.

In the industrial sector, a revised project for Kamalia Paper Mill was approved. It will have the capacity of 66,000 tons per annum for producing text books, writing and printing paper. The mill will have a pilot plant for manufacture of newsprint. The principal raw material used will be bagasse.

AGRICULTURE

In the agriculture sector, the meeting approved the agricultural extension and adaptive research project for Baluchistan at a cost of Rs.160.89 million (with a foreign exchange component of Rs.36.273 million) of which 72 per cent will be financed by the IDA.

The project mainly aims at achieving sustained improvement in agricultural production through

reorganisation and strengthening of extension services and transfer of technology by establishment of adaptive research farm.

The meeting also approved the Gujranwala Agricultural Development Project.

The project, spread over five years, aims at sustained improvement in agricultural production by providing advisory services and agricultural inputs to 102,000 farm families with 596,357 hectares and creating off farm income opportunities for landless rural families.

The ECNEC also gave its approval to the revised project of forestry planning and development to organise, establish and expand energy plantation, mainly on private lands in the country.

The project proposes to develop capabilities of the Pakistan Forest Institute and the provincial forest departments to promote energy plantation programme.

EDUCATION

In the education sector, the meeting approved the establishment of the National Library of Pakistan that will be equipped with rare and modern books, reference material and journals published in and outside the country. The library aims at acquiring about a million books during the next 20 years.

The meeting approved the national literacy programme (1984-86) at a cost of Rs.317.016 million. The project aims at making 2.2 million persons literate during this period.

A government institute of technology at Gujranwala would be set up to provide training facilities in electrical, mechanical, radio and electronics and instrumentation.

A scheme for development of scientific and technical manpower costing Rs.32.27 million, with a foreign exchange component of Rs.31.55 million, has also been approved.

The scheme envisages the training abroad of 31 in-service personnel for a PH.D.

The ECNEC approved the primary education development and expansion project (second IDA project) at a cost of Rs.1168.525 million, of which US dollars 52.50 million will be met through a soft loan from the IDA/World Bank.

HOUSING

In the housing sector, ECNEC gave its approval to the project of construction of over 5000 houses for grade 1 to 21 Federal Government employees at Islamabad. The scheme will be implemented in phases.

The meeting also considered the Planning Division's working group report on drawing up low-cost housing schemes for about 1,000 houses each in the Punjab, Sind and NWFP provinces, keeping in view the pattern of the Korangi Scheme in Karachi. It was decided that the earlier decision to construct 1,000 houses in Punjab, Sind and the NWFP would be reviewed. The Government, will however, continue with the site and services programme, which is more cost-effective.

WATER SUPPLY

The meeting gave its approval to the second revised project of bulk water supply for Islamabad. The project provides for transmission of 24 MGD water from Simly Dam to Islamabad through two pipelines.

The meeting also gave its approval to the greater Faisalabad water supply, sewerage and drainage project (Phase 1) involving an amount of Rs.1513 million with a foreign exchange component of Rs.468 million.

In the transport and communications sector, the meeting approved the scheme for manufacturing of 525 passenger carriages for Pakistan Railways at a cost of Rs.1570.11 million with a foreign exchange component of Rs.457.80 million. The carriages will be manufactured in the carriage factory at Islamabad.

The purchase of 25 locomotives for Pakistan Railways was also approved. (Message incomplete)

CSO: 4600/639

PAKISTAN

HUB CEMENT PLANT NEARING COMPLETION

Quetta BALUCHISTAN TIMES in English 9 Sep 85 p 4

[Text] Quetta, Sept--Pakistan's largest and most modern dry process cement plant at Hub in Lasbela District is in final stages of completion.

Costing over one billion rupees, the plant Pak Saudi Joint venture sponsored by Dr Ghaith Pharaon, a Saudi business magnate, will have daily production capacity of two thousand and two hundred tonnes.

The Chief Executive of the plant, commonly known as attock cement Sheikh Mahmood Ahmad told PPI that with the commissioning of the plant the country would be able to earn sizeable foreign exchange as seventy percent of its production would be exported to the neighbouring Muslim countries.

He said remaining thirty percent would be sold in the local market to stabilise cement prices.

Asked why the prices of imported cement are lower than those of local produced cement, Shaikh Mahmood Ahmed said because the exporting countries sold their surplus at prices based on marginal cost and also used to get export rebates from their governments.

He said Pakistan could also do the same and compete well with cement producing countries in the foreign markets and added rich potentials to convert cement industry into an export oriented industry existed as the two basic raw materials, limestone and shale, were found in abundance in the country.

Replying to a question, Sheikh Mahmood Ahmad said Pakistan was expected to meet its domestic demand fully by 1986-87 when the production reached the level of eight point two million tonnes as against current production of six point four million tonnes.

On the following years, Pakistan would become an exporter of cement if the industry continued to expand and modernise.

Referring to modernisation, Shaikh Mahmood Ahmad said many of the existing plants in the country were very old and based on outdated technology of processing which required at least forty percent higher fuel consumption. He suggested that these processing plants should be switched over to dry or semi-dry process and modernised to maximise cement production in the country.--PPI

PAKISTAN

MANY SMALL IRRIGATION PLANS UNDERTAKEN IN BALUCHISTAN

Quetta BALUCHISTAN TIMES in English 11 Sep 85 p 5

[Text] Quetta, Sept--In Baluchistan about one hundred small irrigation schemes have been undertaken with the assistance of the World Bank, Kuwait fund and fund provided by the European Economic Community to irrigate additional acreage of roughly one lac acres for increased cash and food production.

Official sources told PPI here today that these schemes under execution would take about three years, to complete.

Meanwhile most of the basins in Baluchistan have been surveyed and investigated for their ground water potential as a result tubewells in these basins are being put up with the availability of electricity.

Under a phased programme, sixty to seventy tubewells are being installed annually for private irrigation purposes. These sources said the Asian Development Bank has also agreed to finance a programme for installation of tubewells and construction of 11 kv power line in selected basins of Baluchistan for agricultural purposes.--PPI

CSO: 4600/12

PAKISTAN

FUND TO FINANCE MINERAL EXPLORATION SAID UNDER STUDY

Karachi BUSINESS RECORDER in English 8 Sep 85 p 1

[Article by G. N. Mughal]

[Text]

HYDERABAD, Sept 7: The Federal Government is considering to set up 'national exploratory fund' to finance the mineral exploration activities in the country according to the Federal Minister of State for Petroleum and Natural Resources Dr. Mohammad Asad Khan.

Talking to BUSINESS RECORDER the other day at Machhi Goth about 15 km from here after spudding one more oil well, Dr Asad said the government was fully conscious of the financial constraints in the exploration of mineral wealth in the vast tracts of the country.

Moreover, he said, the government was also aware of the fact that there was unnecessarily a large number of agencies at various level engaged in the exploration of minerals in the country.

The minister said that the government wanted to formulate a comprehensive mineral policy. For this purpose, he said, a high level committee was formed during his earlier tenure of ministership.

The committee, Dr Asad said completed its job and submitted its recommendations at a time when he was relieved from the cabinet.

The proposal of the formation of 'national exploration fund' is the part of the recommendations of the said committee, he added.

However, Dr Asad assured now

that he has already been made incharge of the Petroleum and Natural Resources Ministry, further exercise would be started in this regard.

LAKHRA COAL PROJECT

When his attention was drawn to the mess created about Lakhra coal project the minister admitted that progress about this project was unsatisfactory. However, he said, now he has asked for a report about this project. He said so far no information in this regard has been communicated to him.

He complained as far as this project was concerned, he felt that his feet were being dragged. But he assured he was not going to be deterred and hoped that the mess would be cleared very shortly.

PAKISTAN

COTTON DEVELOPMENT PROJECT UNDER STUDY

Karachi DAWN in English 11 Sep 85 Business Supplement p I

[Text] Karachi, Sept 10: Negotiations are under way with the Asian Development Bank for ascertaining the possibility of launching a comprehensive cotton development project in Pakistan.

The project is aimed at boosting cotton production, both quantitatively and qualitatively.

In this regard a tripartite meeting is being held at the Pakistan Central Cotton Committee here on Sept 12 to discuss the project preparation report, prepared by the FAO investment centre on behalf of the Asian Development Bank.

The meeting, to be held under the chairmanship of Federal Agriculture Secretary, R. A. Akhund, will be attended by senior officials of the ADB, FAO, Ministries of Food and Agriculture, Commerce and Industry, Agriculture Secretaries of the four provinces, officials of planning and development departments of the Federal Government and Sind/Punjab provinces, representatives of the State Bank of Pakistan, Federal Bank for Cooperatives, ADBP, CEC and PCCC.

The project to be spread over a period of five years, aims at enhancing research capabilities of the Federal and provincial cotton research institutes/stations, establishing two new cotton research stations, one each in lower Sind and Baluchistan and launching of cotton maximisation projects on about 20 per cent of the cotton acreage in Sind and Punjab.

Research

The project also envisages modernisation of ginneries to effect improvement in lint quality of Pakistan cotton which is among the best in the world. Besides, proposals have also been made to establish a new cotton ginning research station, cotton standards institute and constructions of lint storage/godowns.

The project with a package deal is expected to bring about a significant improvement in the production of quality cotton which may fetch better prices in the world market.

CSO: 4600/645

PAKISTAN

COMMITTEE ON SICK INDUSTRIAL UNITS REVIVED

Karachi BUSINESS RECORDER in English 14 Sep 85 p 1

[Article by Anwar Rajani]

[Text]

The committee, to cure sick units which was dissolved in December last has been revived, it is reliably learnt.

It has now been christened as Industrial Rehabilitation Committee. As before, it is headed by Federal Finance Secretary H.U. Beg with the same strength of members.

Cases of sick industrial units would be referred to the committee by commercial banks and the financing agencies that had financed the units at the time of their implementation.

The committee in suitable cases would recommend a package of financial assistance involving waiver of accumulated interest, rescheduling of outstanding dues and rehabilitation loans to make

adequate working capital available.

Most of the sick units had changed hands before any financial assistance was provided to them for their ailment. The new managements with new incentives had put these concerns on the right track. In a few cases, however, the facilities provided by government had been misused through the abuses of inter-corporate financing.

The committee, now revived, would have to evolve a strategy to see that the package deal provided for the cure of the ailing units has been properly utilised.

The committee dissolved in December last -- generally known as Beg Committee -- had taken decisions on about 400 cases of ailing units. More than 50 per cent of these cases were rehabilitated and the remaining had been rejected.

It is reported that the volume of

financial assistance immediately needed is estimated at about Rs.300 million to cure the sick units. The amount would, however, increase when cases of more units are sent to the committee for their cure.

It may be mentioned here that a number of sick industrial units which were provided with financial assistance by the Beg Committee are still limping and have not shown very encouraging results. Therefore, the financing agencies had proposed to form a committee or a group comprising representatives of various agencies to monitor the operations of such units as had been provided relief for their revival.

The Beg Committee was wound up after the new Company Law was promulgated by the end of the last year. New rules under this law had to be framed for the rehabilitation of the sick units.

CSO: 4600/644

PAKISTAN

RISE IN COTTON EXPORTS TO SOUTH KOREA REPORTED

Karachi BUSINESS RECORDER in English 14 Sep 85 p 1

[Text]

ISLAMABAD, Sept 13: Pakistan's export of cotton to South Korea has started picking up, and there has been a dramatic 60 per cent increase in the fiscal year which ended in June last.

Korea has imported about 80,000 bales of Pakistani cotton and cotton yarn in current year, 1985-86, against 50,000 bales in the preceding fiscal year.

The sky-rocketing of cotton exports to Korea is startling especially because the trade began only four years ago. Since 1981 when Pakistan shipped its first cotton to Korea, it has taken only four years for Korea to become Pakistan's seventh largest market in the world.

Last year, Pakistan was the fourth largest cotton supplier to Korea, after United States, China and Australia.

The growth in Korean imports of Pakistani cotton is likely to continue as the cotton export corporation of Pakistan figures to double shipments to Korea for the current fiscal year.

SATISFACTORY

The latest issue of "Business Korea", published from Seoul, carried a story on Pakistani cotton's blossom in Korea. The Chairman of Cotton Export Corporation Abid Hussain told the "Business Korea" the Korean importers are generally satisfied with the quality

of Pakistan cotton which is 100 per cent hand-picked, unlike the cotton from the United States, which is mainly picked by machine.

According to him, hand-picked cotton is stronger than machine-picked cotton with its maturity and regularity. Moreover, he said, CEC is committed to improving the quality of its project and "we are currently under a joint project with UNDP and FAO for improving the quality of cotton through better picking methods.

SANCTITY OF CONTRACTS

The CEC Chairman who visited Korea, said the quality of cotton is not the only factor attracting Korean spinners and weavers. "We honour our contracts and try to maintain the sanctity of contracts, because we are concerned about our marketing image in the world", he added.

About eight Korean companies, the CEC Chief visited, have expressed their satisfaction with the overall performance of CEC.

Abid Hussain expressed the hope that the price of Pakistani cotton will show more flexibility in the international market.

The Cotton Export Corporation plans to invite a delegation from the Korean spinners and weavers association during the latter half of this year for a first-hand look at Pakistan's cotton harvesting and processing.—PPI.

CSO: 4600/644

PAKISTAN

BODY TO UTILIZE SCIENTIFIC RESEARCH PLANNED

Karachi BUSINESS RECORDER in English 11 Sep 85 p 1

[Text]

The Pakistan Council for Scientific and Industrial Research has submitted a proposal for the creation of a separate research utilization corporation to be responsible for the establishment of production units and processes developed by the PCSIR, it was reliably learnt in Karachi yesterday.

The proposed research-utilization corporation will be a broad-based and independent agency with substantial financial backing and other necessary assets, according to official sources.

The PCSIR proposal to set up an independent chartered corporation is aimed at speeding the introduction of modern technology in various industrial processes, based on domestic technology and raw materials.

It is modelled on similar companies set up in South Korea and Australia.

The need to provide governmental backing for such a research agency arises from the fact that private capital is wary of setting up commercial units based on indigenous know-how, since this carries an element of risk as compared to turn-key projects involving the import of foreign machinery and plants.

After detailed discussions, the proposal was endorsed in a recent meeting of the PCSIR council, which was also addressed by Dr. M.A. Kazi, advisor to the Prime Minister for science and technology.

The PCSIR Chairman, Dr. Naeem Ahmed Khan, had also underlined the need for the crea-

tion of an independent chartered company which specialises in undertaking commercialization of such projects and processes which do not receive backing by private capital (due to risks involved in using domestic technology and materials).

The sources noted that in the past one year the PCSIR had launched a "vigorous campaign" for the commercialization of 51 processes based on indigenous know-how, and of these only 20 attracted the attention of prospective private parties.

The sources said the lack of confidence in domestically developed industrial techniques is manifest from the fact that of these 20 processes which had been considered for investment by private capital, only seven leased out on terms and conditions mutually agreed on between the PCSIR and private parties.

This reinforced the need for floating a chartered company to ensure that domestically evolved technologies found their due place in the national economy and do not go waste by default, the sources added.

They also recalled that over the years, the PCSIR had developed a number of industrial processes, some of which were in operation, while the rest have been shelved due to lack of financial backing.

Of the PCSIR-developed processes which are in operation, the annual turnover ranges from Rs. 100 million to Rs. 150 million -- APP

PAKISTAN

FARMING RESEARCH PLAN UNDER PREPARATION

Karachi BUSINESS RECORDER in English 13 Sep 85 p 1

[Article by G. N. Mughal]

[Text]

HYDERABAD, Sept 12: A national agricultural research plan is being prepared under the directive of the Federal Government and in consultation with the Provincial Governments. It is aimed at responding not only to priorities set forth in the current five year plan but also providing the framework for the period beyond the plan.

According to informed circles, the Pakistan Agricultural Research Council (PARC), which has been assigned the task to formulate the plan, is these days busy in holding a series of meetings with the concerned high officials of Provincial Governments in this regard.

A high-level meeting was held at Karachi few days ago under the chairmanship of Provincial Additional Chief Secretary Planning and Development, Allah Buksh Soomro.

It is said the draft research plan prepared by PARC is based on the reports of 24 subject matter working groups formed some time back.

As for the priorities set forth in the draft plan, within the soil and

water area the conservation of the soil resources is the goal with top priority, followed by the goal of improved water use.

Meanwhile, there is a strong feeling among the experts and provincial agricultural officials that PARC should also pinpoint the deficiencies inherent in the provincial agricultural research and recommend to the government to take suitable measures to induct life and vigour in the provincial agricultural bodies.

It is said at present provincial agricultural research is getting no attention from the government as it is suffering from problems of the lack of financial resources.

It is learnt that the former Provincial Agriculture Minister Syed Zafar Ali Shah had prepared a strong case pleading for diverting more resources to provincial agricultural research bodies rather than federal bodies as according to him provincial bodies are more conversant with the problems of their respective province and can become more beneficial to their respective provinces if they are properly beefed up financially and otherwise.

Besides, experts are of the opinion that applied mode of the research can prove to be more fruitful than in other forms.

CSO: 4600/643

PAKISTAN

KARACHI: WORLD BANK LOAN FOR DEVELOPMENT POSSIBLE

Karachi BUSINESS RECORDER in English 13 Sep 85 p 1

[Text]

The World Bank and Asian Development Bank have expressed willingness to provide about Rs 2 billion for the Karachi Special Development Plan (K-SDP).

This was stated by Sind Finance Minister Javed Sultan Japawala at a dinner hosted for him by Karachi Chamber of Commerce and Industry, at a local hotel on Tuesday last.

The SDP, he said, was aimed at solving a number of problems of the city vis-a-vis water supply, sewerage, transport etc. And to ensure provision of basic facilities to the citizens.

As for water rates, the minister noted that the rates in Karachi are still lower than those in other cities

of the country for the facility of industries. He however added that the World Bank and Asian Development Bank placed particular emphasis on the recovery of operation cost.

The minister urged the private sector to set up industries in rural areas in order to help create job opportunities as well as check influx of population to urban areas. He said the Sind Government was making all out efforts in this regard and also sought cooperation of the private sector.

He also urged the private sector to come forward in the field of transport and assured that the Government would extend all possible cooperation.

Referring to the setting up of

beach development authority, he said it was aimed at providing cheap re-creation facilities to the people. Private sector should extend cooperation in the development of beach, details of which are available with Karachi Development Authority.

Earlier, in his welcome speech, President, Chamber of Commerce and Industry Tariq Sayeed, stressed the need for solving problems of Karachi on priority basis.

Noting that over three lakh persons come to Karachi from other parts of the country annually, he suggested a comprehensive coordinated and effective planning to solve problems relating to housing, water supply, sewerage, hospital, transport etc.—PPI

CSO: 4600/643

PAKISTAN

BRIEFS

PARTY NOTICE TO SBFP LEADERS—Rawalpindi, Sept 15--The high command of the Pakistan Peoples Party has decided to cancel the membership of all such party leaders who have links with the Sindhi-Baluch-Pakhtoon Front (SBPF) unless they announce their dissociation from the Front within thirty days. The NWFP chief of the party, Aftab Ahmad Sherpao, told newsmen on Sunday at the residence of the Party's Secretary-General, Mr Tikka Khan, that the party leadership had unanimously decided to expel certain leaders from the party if they did not dissociate themselves from the SBPF within a month of this announcement. This decision was not the result of any pressure or a deal with any quarter, the PPP leader said. He added that the formation of such a Front seeking confederation was contrary to party policy. Mr Sherpao did not reveal the names or number of PPP men who have links with the Front. He disclosed that Ms Benazir Bhutto had empowered the party leadership to settle the SBPF issue by issuing the necessary warning. Mr Sherpao said that according to the party manifesto, no member can simultaneously hold membership of another political organisation. Answering a question, Mr Sherpao said the PPP leadership did not consider the steps or decisions taken by rulers during the past eight years to be of any legal standing. [Text] [Karachi DAWN in English 16 Sep 85 p 1]

INDEMNITY BILL: LEADER'S WARNING--Hyderabad, Sept 15--Maulana Shah Ahmad Noorani, President of the banned JUP, has expressed apprehension that if acts and actions of the eight years of Martial Law were given constitutional protection, the conditions in the country could worsen. Addressing a meeting at Tando Allahyar he said in that case a precedence for further unconstitutional acts would be set and the country would plunge in constitutional crisis. He said members of National Assembly were being pressurised to adopt the Constitution Eighth Amendment Bill and those who had spent lakhs of rupees on election were afraid that the Assembly might be dissolved. Prof Shah Faridul Haq and Mr Shakir Jaffery also addressed the gathering. [Text] [Karachi DAWN in English 16 Sep 85 p 85]

MUSLIM LEAGUE LEADER ON INDEMNITY--Rawalpindi, Sept 15--A convention of the defunct Pakistan Muslim League (Khairuddin Group) will be held on Oct 4 at Rawalpindi to determine party's future line of action. This was decided at PML Central executive committee meeting on Saturday. Briefing the newsmen, the party Secretary-General, Malik Qasim said he will meet National

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Assembly members and Senators to persuade them to reject the 8th Constitutional Amendment Bill. Malik Qasim welcomed Pir Pagara's statement in which he said National Assembly members have no right to pass 8th Constitutional Amendment Bill. [Text] [Karachi DAWN in English 16 Sep 85 p 6]

CHANGES IN CONSTITUTION OPPOSED--Peshawar, Sept 15--Aftab Ahmed Sherpao, NWFP chief of the outlawed PPP, has opposed any amendment in the 1973 Constitution and demanded restoration of the original Constitution. Speaking at a meeting of Thana in Malakand Agency, he regretted that due to their policy a gulf of differences had been created between the rulers and the ruled, which was dangerous for the security of the country. Referring to the Afghan problem, the PPP leader asked for an early political solution of the problem to pave the way for the honourable return of Afghan refugees to their homes. "Such a course is in the best interest of both the refugees and the people of Pakistan," he stressed. [Text] [Karachi DAWN in English 16 Sep 85 p 6]

FARM EXPERTS FOR NEPAL--Islamabad, Sept 15--Nepalese agricultural research scientists will be sharing the experiences of Pakistani scientists in agricultural research. This was decided at a meeting held at the Pakistan Agricultural Research Council (PARC) here today between the six-member Nepalese agricultural delegation and PARC senior officials. The delegation is on a week-long study tour of Pakistan as part of their training in agricultural research, planning and management. The Food and Agricultural Organisation has sponsored this tour of Pakistan's agricultural research management at provincial and state levels. Dr M. Yousaf Chaudhry, Acting Chairman, PARC, briefed the delegation about the research system and research management in Pakistan. The delegation was told Pakistan has already signed a protocol with the Nepalese Government in the field of agricultural sector. The leader of the Nepalese delegation said that the objective of their visit is to know the functioning of PARC for coordinating and accelerating agricultural research.--PPI [Text] [Karachi DAWN in English 16 Sep 85 Business Supplement p 1]

PPP LEADER TO PARIS--Islamabad, Sept 12: In order to evolve a strategy for the future and to bring about coordinated policy on important issues like confederation and the role of Pakistan People's Party within MRD, an important PPP leader Maj-Gen. (rtd) Naseerullah Khan Babar left here yesterday for Paris to discuss the matter with Nusrat Bhutto. According to sources close to the former Governor of the Frontier Province (rtd) Maj-Gen. Babar has no plans to meet the leaders of confederation including Hafiz Pirzada, Mumtaz Bhutto and Ghulam Mustafa Khar, Maj-Gen. Babar was given special permission by the government to proceed abroad. It may be recalled here that Naseerullah Khan Babar and Aftab Sherpao were mostly under detention ever-since martial law was imposed in the country. [Text] [Karachi BUSINESS RECORDER in English 13 Sep 85 p 8]

U.S. WHEAT PURCHASE--Chicago, Sept 13: Pakistan bought three cargoes of U.S. soft winter wheat totalling 126,000 tonnes earlier this week and will retender next week for an additional cargo, both using GSM-102 export credit guarantees, U.S. exporters said. The purchase included two 42,000 tonne cargoes from Cargill and the balance from Louis Dreyfus for October shipments, they said. Next week's tender on Friday will be for a total of 100,000 tonnes of U.S. soft wheat for November shipments, they added. [Text] [Karachi BUSINESS RECORDER in English 14 Sep 85 p 1]